

The NATIONAL UNDERWRITER

The National Weekly Newspaper of Fire and Casualty Insurance

February 20, 1959

63rd Year, No. 8

Auto Headaches Need All-Industry Rx, Morrill Says

Reviews Problems, Urges
'Cooperative Mechanism'
To Find Solutions

Thomas C. Morrill, vice-president of State Farm Mutual Auto, in his address at the Arizona Insurance Day conference in Tucson reviewed five "major trouble areas" in automobile insurance, which he listed as:

1. The changing nature of the hazard which the automobile represents, a result of changes in vehicle design, of shifting populations, of increased usage, greater traffic density, and ever-mounting evidence that too many claimants, lawyers, doctors and garage operators are turning auto accidents into a source of private enrichment at the expense of the premium-paying public.

2. Outdated territorial boundaries, which have been made unrealistic by tremendous post-war suburban and urban development.

3. Inadequate rates for assigned risks.

4. Increased role of politics in the regulation of rates.

5. Apathetic or inept industry public relations efforts.

Mr. Morrill called the industry-wide cooperation shown in the recently formed Insurance Institute for Highway Safety and the committee on financial responsibility "the best news of 1958." This willingness to submerge competitive differences where united action is needed offers "hope for the solution of the truly serious problems of our business," he said.

Stresses Unified Action

"The unity of action that has been achieved is more important than the specific agreements reached," he declared. "Time brings new problems and new aspects of old problems . . . The existence of a cooperative mechanism should enable the industry to deal with those problems promptly and efficiently."

Today's cars represent more value per insured unit than prior models, and the extra hazard represented by greater values per unit is compounded by greater damageability. Parts come in larger, more costly units. Mr. Morrill noted that the 1959 Mercury four-door sedan carries \$303 worth of glass in its front and rear windows alone. This compares with only \$101 in a comparable 1954 model. Using the list prices on the least expensive model, 10.7% of the total cost of a new Mercury is in its front and rear panes of glass. Five years ago the figure was only 4.5%.

Territorial boundaries, Mr. Morrill declared, need more attention than they have had. "Here is a fertile field for pricing, underwriting and public relations work—the latter because the public needs to understand the equity

(CONTINUED ON PAGE 33)

Clark Is Retiring, Brown Successor In Loyalty Post

Herbert A. Clark, vice-president and manager of Loyalty group's western



Lloyd W. Brown



Herbert A. Clark

ern department, is retiring April 1, after 54 years in the business, 34 with Loyalty. He will be succeeded by Lloyd W. Brown, vice-president, as western manager.

Mr. Clark entered insurance in 1905 in the loss department of Germania Fire, later National Liberty. He advanced through various positions to general adjuster in 1913. He became assistant manager of the western department in 1917 and manager in 1921. He was elected a director and vice-president of National Liberty in 1924 and went to the home office in New York in 1925.

He resigned in 1925 to join the Loyalty companies as manager of the western department.

In 1934 he was appointed vice-president and a director of Firemen's, Commercial, Metropolitan Casualty, and Milwaukee.

He is a trustee of Underwriters (CONTINUED ON PAGE 35)

Group Seeks Control Of American Mercury

A Philadelphia group which claims ownership of 20,000 of the 400,000 outstanding shares of American Mercury of Washington, D. C., has sent proxy solicitations to the company's shareholders for the election of new directors. The group, which included Raymond L. Freudberg, president of Empire Mutual of Philadelphia and chairman of its affiliate, Plymouth Mutual Life, and Sidney Halpern, president of the latter, criticized American Mercury's underwriting results and failure to pay a dividend.

In a letter to shareholders, John F. Idler, president of American Mercury, stated that the Philadelphia group aims to take control of the company's management. He urged that shareholders defer signing any proxies until they have read the 1958 annual report of the company, which they will receive shortly.

The report, Mr. Idler said, will reveal that American Mercury, in 1958, had the highest earnings in its history and added a substantial amount to surplus. These results should persuade shareholders that their interests will be served by signing the management's proxy which will accompany the report, Mr. Idler stated.

Walter Luehring To Succeed Butler At Western Adjustment

Walter R. Luehring has been appointed general manager of Western Adjustment to succeed Ben M. Butler when the latter assumes his responsibilities as president of General Adjustment Bureau.

Mr. Luehring began his career with Western Adjustment at Chicago in 1934. He subsequently had assignments at Fond du Lac, Wis., and Peoria, and in 1947 became manager at Galesburg, Ill. He returned to the head office as general adjuster in 1951, later becoming executive supervisor, and in 1956 he was named assistant general manager.

\$7½ Million Holds Up As St. Louis Insured Tornado, Wind Loss

Adjusters' estimates made within a day or two of the tornado and high wind at St. Louis Feb. 10 have held up as the claim processing picture becomes clearer. The original estimate of an insured loss of \$7½ million is about right, it appears, but the number of losses, estimated at first at as many as 18,000, probably will run fewer than that.

The tornado was followed by high winds which reached 100 mph and caused widespread glass and interior damage.

Western Adjustment and Underwriters Adjusting have storm offices in operation, and the National Board has established a supervisory office in the Pierce Building with B. P. L. Carden, general adjuster, in charge.

The Feb. 20 issue of U. S. News & World Report has as its main article a commentary on why automobile insurance costs are increasing. The story is objective and relates practically every one of the factors which have forced the insurers to raise rates.

Undue Regulation Of Group A&S Will Reduce Its Potency

Hanna Says Business Has
Full Quota Of Legislative
And Regulatory Problems

NEW YORK—Undue state regulation of group A&S would result in public dissatisfaction, cut down on benefits and interfere with efficient administration and service, John P. Hanna, general counsel of Health Insurance Assn. of America, declared at that organization's group forum here.

The group A&S business seems to have its full quota of legislative and regulatory problems, he said. Among important types of group A&S legislation introduced in one or more states, he cited Missouri and West Virginia bills which would prohibit cancellation of any A&S policy except for non-payment of premium, a New York bill which would prohibit such cancellation after the policy has been in force for three years, and another New York bill would require that group coverage on individuals whose group insurance was terminated for any reason be continued for life at the same benefit level and at the same rate.

The health insurance business is "rising to the challenge" of making more permanent forms of coverage widely available to the public, Mr. Hanna said. But such legislation "would freeze all experimentation and programs by requiring all persons to purchase that type or none."

Mr. Hanna also discussed legislation

(CONTINUED ON PAGE 35)



Agricultural has presented Dudley-Wilson agency of New Haven with a plaque commemorating 80 years of company representation. Left to right at the presentation are Joseph Flach, Connecticut state agent; Donald M. Guyer, vice-president of the agency; Perry Dudley, agency president; Raymond F. Willey, resident secretary of the company at the tri-state office, New Rochelle, N. Y., which serves Connecticut; H. Hayes Landon, senior New England state agent, and Samuel B. Alderman, vice-president of the agency.

SEES THREE KEYS TO CURRENT PROBLEMS

Loss Leader Competition, Neglect Of The Insuring Function, And Resting On Laurels

Many problems of the business are of its own making, Darrell L. Achenbach, general manager of Country Mutual of Chicago, told the fire conference there of Conference of Mutual Casualty Companies. These problems are internal factors which have limited relationship to the general economy, he said.

Three factors of this type are overzealous competition, management's failure to pay enough attention to insuring, and inertia among insurers in dealing with their difficulties.

Intense competition at the expense of sound underwriting has created some of the industry's problems, he declared. Good, healthy competition is essential, and none should aspire to gain monopoly. But the loss leader

approach, or subsidizing business in one territory at the expense of another, does long range harm to everyone. It encourages a race to get business on the books that may not be sound or profitable. This can disillusion the public and companies alike.

He said he was not criticizing companies which, through efficiency, aggressive merchandising and sound developments in contracts and underwriting, are able to better to serve the public and get a larger share of the business. They deserve it, and that is progress.

A second factor producing national problems is that top management of some insurers have considered their responsibilities as being to head an

(CONTINUED ON PAGE 29)

Chicago Fire Engineers Elect Searl President

Edwin N. Searl, Western Actuarial Bureau, was elected president of Chicago Society of Fire Protection Engineers at the February meeting, succeeding Morton Luber, Steel Ins. Co.

Other officers are Ralph Sullivan, Standard Oil of Indiana, 1st vice-president; Ray Sapp, American District Telegraph, 2nd vice-president, and Carl B. Olsen, W. A. Alexander & Co., secretary-treasurer. Otto Freilinger, W. A. Alexander, and George Stahl, National Board, were named to the executive committee.

Luncheon speaker was Chief Wayne Swanson of the Rockford, Ill., fire department. He narrated slides of his tour of European fire fighting facilities.

Interstate F.&C. Reports Gains In '58

Written premiums of Interstate Fire & Casualty, the insurer managed by George F. Brown & Sons of Chicago, increased 50% in 1958 to \$5,196,816. Underwriting results were satisfactory with a loss ratio of 54.6%. Surplus to policyholders at \$1,339,264 was up from \$829,961 the year before. Assets gained nearly \$2 million to a total of \$5,506,531.

Chicago Ins. Co., wholly-owned subsidiary of Interstate F.&C., completed its first year of operations in 1958 with written premiums of \$177,202. Consolidated earnings after taxes were \$113,813 for Interstate and Chicago, equal to \$1.63 a share. In 1957 the earnings were \$1.16 a share.

Campbell To N. E., Clinton To Ark. For Aetna Fire

Aetna Fire has appointed Claude Campbell marine special agent for New England. James H. Clinton Jr. succeeds him as special agent at Little Rock. Mr. Campbell joined the company in 1948 and went to Little Rock in 1950. Mr. Clinton joined the company in 1947 in the home office marine department. Since 1953 he has been a marine underwriter at Dallas.

Vivian Gould has been elected president of Mutual Agents Assn. of Grand Rapids. Henry Forsetlund is vice-president and Everett Van Slyke is secretary-treasurer.

Two New Directors For Underwriters Adjusting

At the annual meeting of Underwriters Adjusting Co., Lloyd W. Brown, vice-president of Loyalty group, was elected a director to succeed H. A. Clark, who is retiring, and C. E. Curtis, president of Ohio Farmers, was elected a director to succeed J. C. Hiestand, who has retired.

Directors reelected were W. A. Seely, Crum & Forster; J. G. McFarland, National Union Fire; E. R. Voorhis, Royal-Liverpool; G. L. Scott, North British; C. D. James, Northwestern National; E. A. Domke, Millers National; A. M. Mills, Camden Fire; K. E. Chapman, Agricultural, and K. C. White, Underwriters Adjusting.

White Is Reelected

Mr. White was reelected president of Underwriters Adjusting and Messrs. McFarland, Seely and F. S. King were reelected vice-presidents. H. L. Pettigrew was reelected secretary-treasurer.

It was reported that the number of losses adjusted followed the over-all trend in the midwest territory, decreasing slightly, with the decrease confined to extended coverage. Losses under other coverages showed an over-all increase.

MUTUAL CONGRATULATIONS: Thomas Thacher, (left), new insurance superintendent of New York, and Harry J. McCallion, associate general counsel of New York Life, new chairman of the insurance section of the New York State Bar Assn., at the section's annual meeting in New York City.



OK Distribution Of Stock In Argonaut

Superior court of San Francisco has approved the plan for distribution of stock in Argonaut to policyholders of record June 30, 1957, of the predecessor Argonaut Exchange. Policyholders of the old reciprocal will become owners of a stock company with assets of more than \$24 million at no cost to themselves. Approximately \$7,000 California employers become stockholders of Argonaut.

Argonaut Exchange was converted from a reciprocal to a stock company July 1, 1957. At that time one million shares of common stock were issued to the exchange as trustee for policyholders who are entitled to receive an equitable proportion of the stock.

Agree To Sale Terms For Harbor Of San Diego

SAN DIEGO—Preliminary agreements have been signed for the sale of Harbor of San Diego to a syndicate headed by Norman C. Roberts, an investment man.

If all of Harbor's stockholders agree to the sale by March 19, the total sale price will approximate \$2.5 million. There are 160,000 shares outstanding with fewer than 100 stockholders. The principal stockholders have agreed to sell at book value plus 35% of unearned premium reserve, or a total not to exceed \$15.50 a share.

Harbor was incorporated in 1946. The president is Fred H. Rohr, who is also chairman of Rohr Aircraft Corp.

Mr. Roberts said his syndicate has no intention of reselling its stock or of changing the present management.

Name, By-Law Changes OK'd By Ore. Agents

Members of Oregon Assn. of Insurance Agents have approved by a 3 to 1 majority a number of amendments to the constitution and by-laws. Among these are a change in the official name to Oregon Assn. of Independent Insurance Agents. The members also approved allowing dues to be revised by joint action of the executive committee and local association presidents, an increase in the executive committee membership to 13, and a provision for a permanent legislative committee.

Large Loss On Mail Cover In Air Crash

Insurers writing registered and first class mail coverage are watching closely the efforts to salvage the American Airlines turbo jet plane that plunged into the East River near LaGuardia field, New York, Feb. 4. Because it left Chicago at 9 p.m., it carried a heavy load of mail. Practically every insurer writing this type of business is involved.

It is too early to do more than guess at what the insurance loss will be on the millions of dollars worth of checks, bonds, stock rights and certificates, etc., that went down with the aircraft. Salvage operations are being continued. Approximately 50,000 checks for a face amount of \$21 million were recovered in three nylon bags. A fourth had burst and part of the contents were gone. Another bag with \$4 million worth of checks was not found.

One firm had \$300,000 worth of stock certificates aboard the plane. The total amount in stock certificates, rights, etc., that were involved in the crash will run into many millions of dollars, underwriters estimate. As of Feb. 16 only a fourth of the bags aboard had been recovered.

Salvage Usually Is High

Salvage in such losses generally runs quite high. Stocks lost can eventually be replaced. Here the insurer has to post a bond that the stocks won't turn up in the wrong hands, in order to get the replacement. However, even on checks, the losses to the insurer can amount to a good deal. If they were microfilmed, they can be re-issued, though some banks like to get the approval of the writer before doing so. If they were not microfilmed, however, and the payor insists upon having the original returned before writing another, the result is a loss for the insurer.

The costs of replacement are borne by the coverage. These can run into time and money. The 50,000 checks recovered from the Feb. 4 aircraft crash were a shipment from Federal Reserve Bank of Chicago to Federal Reserve Bank of New York. The latter bank dried out the water-soaked and fuel oil-saturated checks in its boiler room.

The coverage is written either to cover the cost of replacement or to cover the face value of the documents.

Wyo. Auto Rates Revised

National Bureau of Casualty Underwriters and National Automobile Underwriters Assn. have revised automobile rates in Wyoming, effective Feb. 18.

Private passenger automobile liability changes result in a statewide reduction of 3%. In the Casper and Cheyenne areas, reductions range from \$2 for 1A to \$8 for 2C. In the rest of the state, rates remain unchanged.

The bureau also increased commercial car rates 4% and garage broad coverage 13%.

NAUA increased comprehensive \$6, reduced \$50 deductible collision 8%, and \$100 deductible 5%.

Fire, theft and comprehensive on commercial automobiles operating within a 50 miles radius go up 3%. Collision premiums on these vehicles go down 6%.

NEW IDEAS FOR A NEW ERA



... a theme which expresses the pioneering history of Nationwide ... and symbolizes our sincere determination to keep evolving new solutions to the consumer's changing problems. It describes our greatest product.

Results Of And Philosophy Behind The Family Compensation Coverage

The family compensation extension of the automobile liability policy which Nationwide Mutual is writing in several states was discussed and defended by P. L. Thornbury, vice-president and general counsel of the Nationwide group, at the Miami Beach meeting of National Assn. of Independent Insurers. The coverage has stirred up considerable interest among attorneys, underwriters and insurance executives.

From the sales standpoint, Mr. Thornbury said, the public has been receptive to the coverage. Latest available statistics indicate that approximately 60% of new business written includes the coverage. This indicates that the public is willing to pay a premium for protection which will provide a schedule of benefits to injured persons regardless of liability.

Results in Maryland and Delaware, where the coverage has been in force for more than two years, point to lower loss cost and loss adjustment expense. For 1957, the combined family compensation and BI liability loss ratio was lower than the combined BI-medical payment loss ratio. There was some reduction in outside claims expense because of a lower law suit frequency, though internal expense is as much as or more than the BI-medical payments coverage because of payments for indemnity.

The medical payments is not available to build up a liability claim, he observed. Also, double payments under liability and medical payments are eliminated as far as passenger claims are concerned.

Acceptance of the compensation

schedule by third parties who have the right of election is indicated by a study of 416 claims incurred in Maryland and Delaware from March 1, 1956, to July 1, 1957. The study showed that family compensation was accepted in 23% of the claims, rejected in 63%, and closed without payment in 14%. These figures are not final since 91 of the claims still were pending. However, a review of the files indicates that the final results will not vary much from the percentages indicated.

"It is our conclusion, therefore, that the third party claimants will elect to accept compensation in 20 to 25% of all claims. Most of those accepting payment under the schedule were in the small claims class and so-called non-liability claims. In the more serious BI cases, the claimant declined to accept payment under the schedule and elected to proceed under the law of negligence."

It is a good public relations coverage, Mr. Thornbury observed. In one case an eight year old boy was fatally injured when he ran into the side of a policyholder's car. Insured did not feel in any way negligent. But the fact that the company was able to pay \$2,000 under the compensation coverage pleased him since he felt very badly about the accident.

No Complaints On Adjustments

To date, no policyholder or member of the public has complained about the way the losses have been adjusted under the coverage.

Instead of leading to the application of the compensation principle to automobile claims generally, Mr. Thornbury believes that the family compensation type of coverage, which offers an alternative basis of settlement, will reduce the demands for the compensation approach. Since the coverage will pay in many instances while still maintaining the alternative to proceed under the law of negligence, it will to a large extent meet the social demands that automobile victims be compensated for their injuries.

Presents No Threat

Neither does Mr. Thornbury regard the coverage as a threat to the negligence system, which was contended at one meeting of New York State Bar Assn. In fact, he emphasized, the contrary should result. The clamor for a compensation system arises because of unpaid medical and hospital bills when recovery cannot be made under negligence. This pressure is removed by a voluntary plan of private insurance, paying such bills up to the amount provided for by the schedule regardless of liability.

Mr. Thornbury pointed out that millions of so-called nuisance claims, usually classified as non-liability, have been settled by insurers. Most of these claims are settled or paid without any serious consideration of the element of fault. Many serious BI cases are settled by payment of substantial sums where insured is not negligent.

Why should a person responsible for his injuries by his own carelessness

(CONTINUED ON PAGE 20)

Maryland Casualty Underwriting Loss Down, Peak Volume

Maryland Casualty had an underwriting loss of \$3,115,964 in 1958 compared with one of \$8,545,061 in 1957. Written premiums were \$125,245,745, an increase of \$6,213,686. Unearned premium reserve rose by \$5,444,957 to \$72,764,981. Policyholders surplus increased to \$72,843,394 from \$55,719,285.

Income from investments was \$5,639,937, a gain of \$319,810. Largely because of this return and a tax refund of \$2,702,176, the company had an operating profit of \$5,104,690 in 1958 compared with a loss of \$2,276,035 the previous year. Earnings per share were \$3.46 against a loss of 30 cents in 1957.

Notes Steady Improvement

William T. Harper, chairman and president, noted a steady betterment in underwriting results in the last half of 1958. He attributed this to rate increases in most states, particularly in automobile lines. More selective underwriting, with tighter control of risks also contributed to the improvement. Mr. Harper said that the immediate future outlook is encouraging. There are many indications that the business is emerging from the serious loss situation of the past several years.

Casualty premium writings in 1958 were \$104,607,140. Automobile writings, up 12.2% from 1957, were \$56,621,752 or 45.2% of the 1958 total volume. Automobile underwriting results were considerably better than in 1957, but major benefits of auto rate increases will be felt in 1959, Mr. Harper noted.

Fire and marine premiums totaled \$10,751,916 in 1958, representing 8.6% of total writings and an increase of 13.5%. Fidelity and surety volume declined slightly to \$9,886,688, or 7.9% of the total.

Assets at the end of 1958 were \$231,362,769.

R. I. Lawyers Ask Rise In Fees For WC Cases

Rhode Island Bar Assn. has suggested a schedule of minimum fees for lawyers handling lump sum commutation cases before the state workmen's compensation commission. The commission's present schedule allows a fee of 15% for the first \$1,000 and 10% for the remainder of a lump sum settlement.

The association is seeking 25% of the first \$1,000, 20% of the next \$2,000, and 10% of any amount above \$5,000. The association stated that this schedule is not mandatory for members and is not an attempt to regulate fees or otherwise interfere with the usual attorney-client relationship.

Gains For Badger Mutual

Badger Mutual's 1958 premium writings of \$9,357,420 were an increase of 9.3% over the previous year. Premiums for auto and other casualty lines were up 14.9%, and fire, homeowners and all other premiums increased 8.1%.

Of \$11,984,721 in assets at Dec. 31, cash and bonds were \$7,092,856.

In 1958 the company processed 39,189 claims for a total of \$4,327,911. Taxes and fees for the year were \$341,805, an increase of 28.2%. Surplus increased to \$2,135,209, and the unearned premium reserve increased to \$5,188,604.

OVERALL COVERAGES in a Single Policy

HOMEOWNERS POLICY

This single policy includes all necessary coverages for your homeowner client . . . with real advantages for you both. Show the homeowner how insurance, too, has been modernized — sell him the single Homeowners Policy. Also available for tenants.

CONSIDER THESE ADVANTAGES

- You have only one policy to quote, report, file, bill, renew.
- Your client is protected without loopholes, overlapping.

HOME OFFICE
111 W. Fifth Street
St. Paul 2, Minnesota

NEW ENGLAND DEPARTMENT
10 Post Office Square
Boston 2, Massachusetts



EASTERN DEPARTMENT
90 John Street
New York 38, N. Y.

PACIFIC DEPARTMENT
Mills Building
San Francisco 6, California

The Agency System... An American Tradition

At MID-UNION... the managing agent is a recognized expert in the transportation industry!

THE TRANSPORTATION INDUSTRY has grown tremendously in the last decade. The insurance men who formed Mid-Union were answering the requirements of the transportation field . . . providing the long-haul commercial trucker with the specialized and "tailored" insurance he urgently needed.

THE MID-UNION ORGANIZATION was formed when the founders of Mid-Union selected managing general agents who would be not merely distributors, but insurance counselors to the transportation industry . . . experts who recognize the importance of answering client's needs with economical coverages geared to actual trucker requirements!

A FEW OF THE MANAGING GENERAL AGENTS OF MID-UNION . . .

L. E. BUTLER,
P. O. Box 401,
Mesa, Arizona.
Woodland 4-4513

INSURERS OF VIRGINIA, INC.,
3121 W. Marshall Street,
Richmond, Virginia.
6-4984

FAR-MOOR AND COMPANY,
Box 457,
Moorhead, Minn.
3-4511

McHATTON & REICHERT, INC.,
323 Vine,
Evansville 1, Indiana.
Harrison 3-6428

SOUTHERN INSURORS, INC.,
214 N. Sixth St.,
Fort Smith, Ark.
Sunset 3-6147

MID-UNION KNOWS THE TRANSPORTATION FIELD.
FOR MORE INFORMATION, WRITE, WIRE OR CALL . . .



MID-UNION
INDEMNITY COMPANY

Public National Insurance Company

Telephone SHerwood 2-7040 • 853 Dundee Avenue ELGIN • Illinois

Modern Electric Protection Holds Property Losses To Very Low Point

Since the 1940s, when a manpower shortage and rising labor costs gave impetus to protection by remote control, the electric protection industry has been expanding rapidly. American District Telegraph Co., which provides electric and electronic protection services for commercial, industrial and other properties throughout the coun-

try, has increased its list of subscribers to more than 66,000, nearly double the number 15 years ago.

The value of ADT-protected properties is estimated at \$55 billion, not including cash and securities in the U. S. Treasury, mints, Federal Reserve banks and branches, and thousands of other banks throughout the country.

Last year losses in premises protected by supervised sprinklers were only 2/100 of 1% of the values protected. Year after year, burglary losses have averaged less than 1/100 of 1% of the values protected. Thus ADT acts as an ally of the insurance business in the fight against rising fire and burglary losses.

Began As Messenger Service

Now approaching its 85th birthday, ADT began as a messenger service in the days before the telephone came into general use. Telegraph call boxes were placed in subscribers' premises

for convenience in summoning a messenger, a hansom cab, a doctor, policemen or firemen. If a fire call was received at the central office of the district, a messenger answered the summons with a fire extinguisher strapped to his back, while another raced to the engine house to alert fire fighters.

With the advent of the telephone, the messenger business went into a decline. Although early telephone services frequently made use of district telegraph offices and facilities, the district companies realized that the telephone industry would soon be on its own and that it was important for them to extend their operations in the field of protective signaling.

This situation led to the development of watchman supervision, which started in Cleveland. One ADT subscriber, the owner of a small factory, is credited with having first conceived the idea of central station supervision of watchmen. Guarding the subscriber's factory was his father-in-law, who had an unfortunate tendency to doze off with a lighted pipe in his mouth, endangering his life and the property as well. The subscriber was afraid he would some day find his factory in ashes and his father-in-law among the missing.

Saved Plant And Papa

Putting an inventive mind to work, the factory owner solved his problem by having the Cleveland ADT central station watch the watchman. He instructed his father-in-law to signal from the call box every hour on the hour, indicating that he and the factory were both in good condition. ADT had only to check those signals. But if the signal failed to come in, ADT was to send a messenger over to see what was wrong.

ADT companies in other cities soon applied this principle of electric supervision to serve their subscribers. In 1901, when the district companies consolidated to form the present nationwide ADT organization, watchman supervision was being supplied in 80 cities. Meanwhile, many of the companies had pioneered in supplying burglar alarm and automatic fire alarm services.

The consolidated companies gradually extended their activities by concentrating on automatic fire alarm, burglar alarm and sprinkler supervisory and waterflow alarm services. Detection and alarm devices, transmission equipment and operating techniques were improved and standardized to meet the requirements of insurance underwriters. In 1911, the messenger service was discontinued and the company engaged exclusively in supplying electric protection services.

Connected To Central Station

Under central station service, the protection systems installed in subscribers' premises are connected by private wire to the ADT central station, a center where operators are on 24-hour-duty to receive incoming signals and take whatever action the situation demands. When required, police or fire headquarters are notified by direct wire, and uniformed ADT guards are dispatched to investigate. In areas not served directly by ADT central stations, the company supplies systems directly connected to fire or police headquarters.

One of ADT's most widely used services is central station supervision of automatic sprinkler systems. In sprinklered properties, sprinkler systems can be made inoperative or ineffective by closed shut-off valves or

(CONTINUED ON PAGE 30)

EQUALLY ESSENTIAL

for RELIABLE PROTECTION

against FIRE, BURGLARY and OTHER HAZARDS

**AUTOMATIC ALARM
SYSTEMS**
scientifically engineered,
skillfully manufactured
and
expertly
installed



**Regular
inspections,
tests and
complete maintenance
by specially
trained
technicians**

...and you get ALL with ADT

When you install a protective system, it must be kept in perfect operating condition at all times. Even though your fire or burglar alarm equipment is well designed, carefully manufactured and properly installed, it can be no better than the attention and care it receives.

Every ADT Protection System receives regular, specialized attention to assure that it is constantly in readiness to operate in emergency. The value of such maintenance measures is evident in the enviable record of service supplied year after year to over 65,000 commercial and industrial establishments and other properties in approximately 2,000 municipalities from coast to coast, and to highly important security systems used by more than 30 Government agencies in upward of 300 locations.

Only ADT has the extensive facilities, trained personnel and years of experience to give your property, profits and employees' jobs the security they deserve.

The following ADT Automatic Protection Services can be combined to give you better protection at lower cost.

SPRINKLER SUPERVISORY AND WATERFLOW ALARM SERVICE—for sprinklered properties.

AUTOMATIC FIRE DETECTION AND ALARM SERVICE—for unsprinklered properties.

PREMISES BURGLAR ALARM—for doors, windows, walls, ceilings and other points of entry.

TELAPPROACH—for safes.

PHONETALARM—for vaults.

HEATING AND INDUSTRIAL PROCESS SUPERVISION.



AN ADT SPECIALIST WILL EXPLAIN HOW THESE SERVICES CAN BE APPLIED TO PROTECT YOUR PROPERTY MORE EFFECTIVELY. CALL OUR LOCAL SALES OFFICE OR WRITE TO OUR EXECUTIVE OFFICE.

Controlled Companies of

AMERICAN DISTRICT TELEGRAPH COMPANY
A NATIONWIDE ORGANIZATION

Executive Office: 155 Sixth Avenue, New York 13, N. Y.

F.&D. Has Gain In Underwriting, Volume, Earnings

Fidelity & Deposit had an underwriting profit of \$1,588,227 in 1958, compared with one of \$1,984,393 in 1957. Net premiums rose to \$19,570,570, an increase of \$21,898. Earned premiums totaled \$18,774,728, or \$449,863 more. At the end of 1958, policyholders surplus was \$48,624,506 and assets were \$78,636,304, reflecting gains of \$8,858,457 and \$9,243,085, respectively.

Losses and loss expenses incurred in 1958 were 32.6% of earned premiums, against 30.7% in 1957. In commenting on this aspect of the company's operations in his annual report to stockholders, B. H. Mercer, president, expressed concern over the growing number of bank holdups and embezzlement losses. He also noted the detrimental effect of intense competition in the construction field. Failures among contractors in the past four years have increased

North America Has Small Underwriting Loss, Peak Assets

North America companies had an underwriting loss of \$1,809,000 in 1958. Written premiums were up to \$340,537,000 from \$322,738,000 in 1957. Policyholders surplus increased by \$113,964,000 to \$513,589,000. Assets were up by \$154,978,000 and topped \$1 billion for the first time at \$1,022,370,000.

North America had an underwriting profit of \$180,000 in 1958 while Indemnity of North America showed an underwriting loss of \$1,990,000.

North America's premiums were \$191,972,000, down \$5,043,000. This re-

more than 50% over the preceding period.

Investment income after taxes was \$1,757,625 in 1958, a gain of 7.6%. The company earned \$2,511,047 or \$6.28 a share in 1958, compared with \$2,608,064 or \$6.52 a share the year before.

flected transfer of all automobile and casualty business to Indemnity of North America. Unearned premium reserve was up 14,680,000.

Indemnity of North America wrote premiums of \$148,565,000, an increase of \$22,842,000. Unearned premium reserve was up \$14,680,000.

North America had an incurred to earned loss ratio of 57.95 and incurred to written expense ratio of 38.7. For the indemnity company these figures were 63.5 and 35.7. Consolidated, the two figures were 60.4 and 37.4.

Diemand Gives Report

In his report, John A. Diemand, president, noted that in 1958 Indemnity of North America had assigned risk premiums of more than \$2 million which produced an underwriting loss in excess of \$1 million.

Investment income for the group before taxes was \$27,662,000, an increase of 4.4%. Net operating income was \$23,015,000, an increase of \$7,900,000.

A compulsory automobile liability insurance bill has been introduced in the Minnesota legislature.

Underwriting Loss Down, Surplus Up For Great American

Great American had an underwriting loss of \$8,219,568 in 1958 compared with a loss of \$13,042,977 in 1957. Written premiums were down \$1,641,519 to \$144,871,190 due to underwriting refinements and the elimination of unprofitable production sources. Unearned premium reserve declined from \$102,979,081 to \$101,058,974. Policyholders surplus increased by \$47,411,181 to \$185,182,789 at the end of 1958.

Ocean marine writings in 1958 were up 5.4%, hail .1%, liability other than auto 4.1%, property damage other than auto 2.7%, and miscellaneous 2.6%. Premiums for other lines decreased.

The ratio of losses and loss expenses incurred to premiums earned was 65.2 and the ratio of other expenses incurred to premiums written was 41. In 1957 these figures were 67.8 and 40.4.

Notes Encouraging Trend

In the annual report D. R. Ackerman, chairman, and William E. Newcomb, president, noted that although fire lines showed a small underwriting loss in 1958 they began to develop a profit at mid-year and the trend in the last six months was encouraging. Casualty lines produced practically the entire underwriting loss. Automobile liability continued to be the chief problem, as it has been for several years, although some improvement was noted.

Investment income in 1958 was \$10,871,689, an increase of 6%. Operating profit was \$2,605,886 compared with a loss of \$1,450,364. Assets reached a record high of \$371,043,724.

The group reported that the merger at the end of 1958 of Great American Indemnity, Rochester American, Massachusetts F.&M. and Detroit F.&M. into Great American has cleared the way for economies in operation. American National Fire was not merged because this additional production facility was desired in certain areas.

Coburn Joins Kemper Companies

Thomas D. Coburn has joined the Kemper companies as special agent at Seattle. He has been for 2½ years fire and inland marine underwriter for Groninger & Co. agency of Seattle. Before that he was with Northwestern Mutual as an underwriter.

Howard A. Goetz, president of Griffiths, Tate Ltd., will leave for London Feb. 26 to visit Lloyds underwriters.

FIDELITY GENERAL

A STOCK COMPANY



INSURANCE COMPANY

CHICAGO, ILLINOIS

HOME OFFICE:

222 WEST ADAMS STREET

PHONE:

RAndolph 6-4060

WRITING.....IN ILLINOIS

- WORKMEN'S COMPENSATION
- OWNERS', LANDLORDS' & TENANTS' LIABILITY
- MANUFACTURERS' & CONTRACTORS' LIABILITY
- COMPREHENSIVE GENERAL LIABILITY
- COMPREHENSIVE PERSONAL LIABILITY
- AUTOMOBILE . . . SPECIALISTS ON LOCAL FLEETS
- GARAGE LIABILITY
- LIQUOR LIABILITY
- MALPRACTICE LIABILITY
- BEAUTY SHOP LIABILITY
- BURGLARY
- PLATE GLASS . . . INCLUDING 50-50
- BOILER & MACHINERY

A NEW CHICAGO COMPANY WITH EXTENSIVE FACILITIES . . . FLEXIBLE UNDERWRITING . . . REALISTIC RATING . . . INDEPENDENT !!!

FOR MORE INFORMATION, PHONE OR VISIT OUR HOME OFFICE . . .

JUNIOR EXECUTIVE— EXECUTIVE FIRE— CASUALTY OPENINGS \$18,500.—\$7,500.

East	Home Off. Fire V. P.	\$18,500.
M. West	Home Off. Fire Production Ex.	\$15,000.
M. West	Home Off. Fire Und. Mgr.	\$13,500.
East	Cas. Und. Mgr.	\$12,500.
M. West	Br. Off. Claim Supv. (Lawyer)	\$9,000.
M. West	Br. Off. Multiple Line Sis. Mgr.	\$8,500.
Iowa	Fire—State Manager	\$8,500.
M. West	Jr. Bond Ex.	\$8,000.
M. West	Jr. Marine Mgr.	\$7,500.

Our Junior Executive and Executive listings are the most comprehensive in the country by reason of nearly two decades specialization in the insurance personnel field.

Write for HOW WE OPERATE. No obligation to register.

FERGASON PERSONNEL

INSURANCE PERSONNEL EXCLUSIVELY
330 S. Wells Chicago 6, Illinois
HARRISON 7-9040

REINSURANCE

Reinsurance is a traditionally firm buttress in the orderly process of protecting American enterprise.

As in over four decades of past service, you'll still find Employers Re contracts exactly fitted to your needs.

EMPLOYERS REINSURANCE CORPORATION

KANSAS CITY, MISSOURI

21 West 10th St.

NEW YORK

107 William St.

CHICAGO

175 W. Jackson

SAN FRANCISCO

100 Bush St.

Faulty Suit Kills Sonic Barrier Case

U. S. circuit court of appeals has reversed and remanded a district court judgment against London Lloyds and other foreign insurers in favor of Oklahoma residents whose property was damaged when navy and air force planes broke the sound barrier during an air show. The case is reported in 9 CCH (Fire & Casualty) 895.

F. R. Blair and Pearl Blair, his wife, brought suit for themselves and other residents near Oklahoma City against

the U. S. to recover damages under the tort claims act. The complaint stated that on or about Sept. 3, 1956, the Department of the Air Force and the Department of the Navy participated in a national air show at Will Rogers Field near Oklahoma City. It was charged that jet planes were propelled at a speed sufficient to break the sonic barrier. This resulted in violent and explosive vibrations which damaged two dwellings owned by the Blairs,

and other dwellings and buildings. The Blairs' property was damaged to the extent of \$750. More than 300 other property owners intervened in the case with individual claims ranging as high as \$3,000.

Insurers In Suit

By supplemental complaint, Mendes & Mount of New York City, attorneys in fact for London Lloyds and various foreign insurers, were joined as defendants. It was held that prior to the air show, the insurers covered the U. S., its officers, employees and mem-

bers of the armed forces up to limits of \$500,000 for liability for damages caused by participating aircraft. The policy specifically covered claims arising out of sound wave shock resulting from breaking the sonic barrier. The U. S. and Mendes & Mount filed separate motions to dismiss the action. The U. S. admitted that the sonic barrier had been broken at specified locations.

A motion was filed for partial summary judgment in favor of the Blairs and other plaintiffs and for the appointment of a master to determine damages. The court was asked to enter judgment that the insurers were indebted, under their contract with the U. S., to each of the plaintiffs for damages. Attorneys for Lloyds conceded that the insurers had contracted with the U. S. to pay all damages caused by the breaking of the sonic barrier whether due to negligence or otherwise.

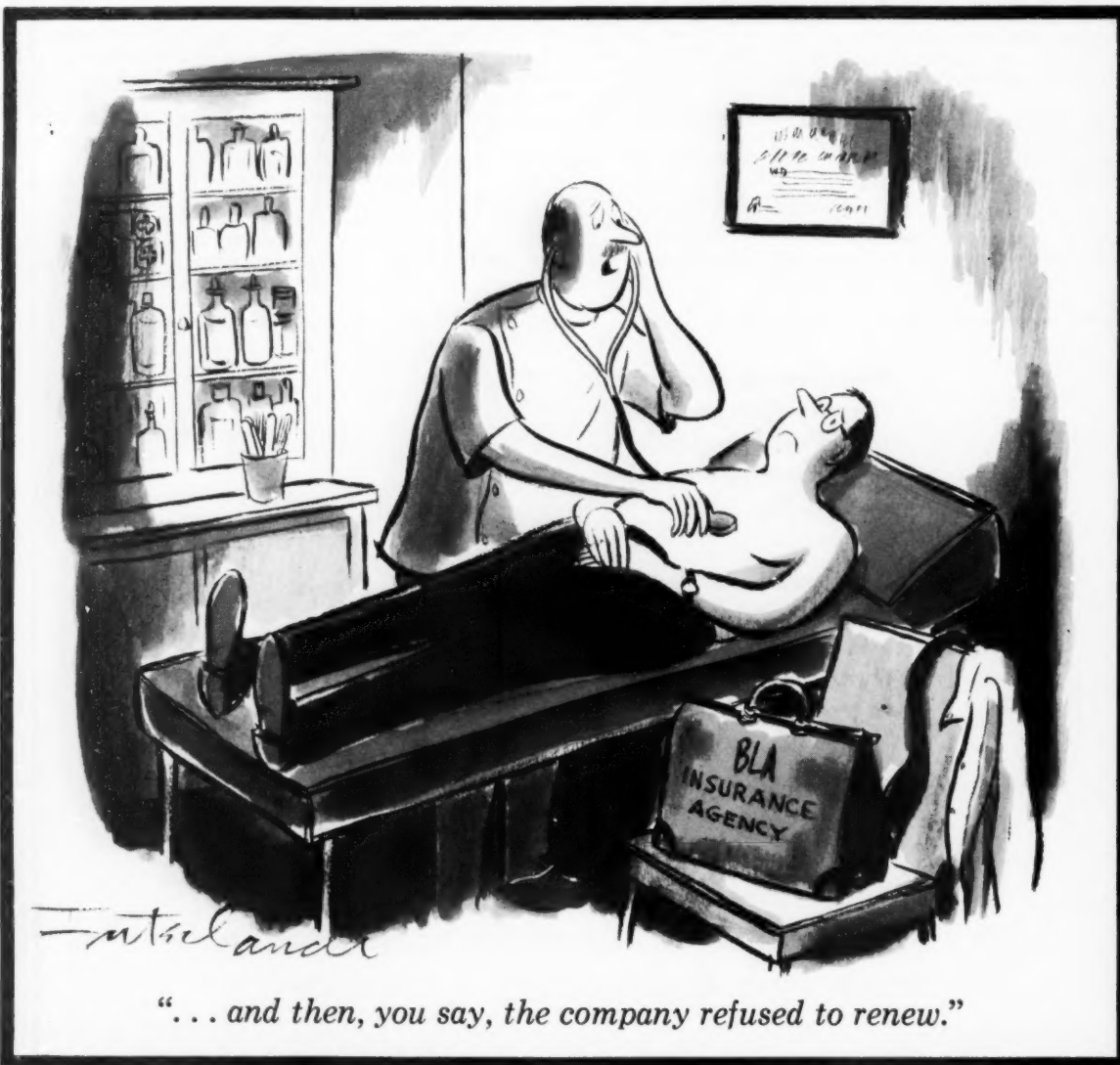
After this concession, the district court ruled that the motion of the U. S. to dismiss the action be held in abeyance and that Lloyds' motion to dismiss be denied. The court further held that plaintiffs were entitled to judgments in amounts to be determined later.

Causes Improperly Joined

Lloyds and the other insurers appealed on the ground that the cause against the U. S. in tort and the cause against insurers predicated upon contract were improperly joined. The appeals court held that the remedy for the action against the U. S. lay in the tort claims act. No contractual right or liability was involved. The liability in the action against insurers was solely and exclusively contractual. No liability in the nature of a tort committed by insurers was involved. The U. S. committed a wrong for which it was liable under the tort claims act, but it was not obligated by contract to pay damages. The insurers were obligated to pay damages for the tortious conduct of the U. S. but they did not commit any tort. No single defendant therefore was liable both as a tortfeasor and as a contractual obligee for the payment of compensation under an insurance agreement. The issues between the plaintiffs and the U. S. and the plaintiffs and insurers were not identical. Negligence had to be proved in the action against the U. S. but not in the one against insurers before plaintiffs could recover.

The appeals court said that it was never intended or contemplated that a plaintiff should have the right to join a cause of action against the U. S. under the tort claims act with an action against third parties under an insurance policy. Accordingly, it reversed the judgment for the Blairs and other plaintiffs and remanded the cause for dismissal of the action against Lloyds and other insurers.

James E. Grigsby and Howard C. Triggs appeared for the Blairs and other plaintiffs, and Gus Rinehart for Lloyds and other insurers.



"... and then, you say, the company refused to renew."

Many an agent's heart does a double flip whenever a big compensation coverage comes up for renewal. Bituminous agents, on the other hand, take these occasions in stride. Because once he has the business, the Bituminous agent has a far-above-average record for keeping it. Bituminous' tailored underwriting, Bituminous' best-in-the-business safety engineering, Bituminous' fast-and-fair claim service, and Bituminous' on-the-ball audit service are just what the doctor ordered for your premium pro-

ducing health. Make an appointment with Bituminous and see.

TO SERVE THE AGENT —

Bituminous maintains strategically located branches or general supervisory agents at Atlanta, Belleville, Birmingham, Charlotte, Chicago, Coral Gables, Dallas, Detroit, Indianapolis, Kansas City, Louisville, Milwaukee, Minneapolis, Nashville, New Orleans, Omaha, Philadelphia, Pittsburgh, Richmond, Rock Island and St. Louis.



Bituminous Casualty Corporation

BITUMINOUS FIRE AND MARINE INSURANCE COMPANY • ROCK ISLAND, ILLINOIS

Specialists in Workmen's Compensation

EXECUTIVE DEVELOPMENT

Have you set up an adequate program to broaden your management group? Don't overlook this major competitive weapon. Our experienced staff can help you. No obligation for inquiry.

CONSULTANTS

IN MARKETING AND FOR THE MANAGEMENT INSURANCE BUSINESS

FRANK LANG & ASSOCIATES
521 Fifth Avenue
NEW YORK 17, N. Y. One North LaSalle St.
CHICAGO 2, ILLINOIS

AGRICULTURAL INSURANCE COMPANY
WATERTOWN, NEW YORK

ROBERT G. HERR
PRESIDENT

January 1959

To our Agents:

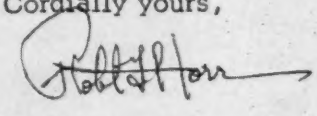
At the start of this new year, 1959, we want to thank all of you who have contributed your helpful efforts to our Company's progress in 1958.

With this letter, too, go our best wishes that the New Year will be a prosperous one for you and that we of the Agricultural may share with you in a profitable and better future.

It seems particularly appropriate at this time to emphasize to each of you that we look upon our Agency Agreement as the kind of a contract which needs the sanction of both of us for any change. If there are to be changes in our agency contracts in the future, you can be assured that for our part we will offer you a proposal for any such change, or changes, for your acceptance or negotiation. We hope, too, that this will bring to you an added confidence in your dealings with us.

The Agricultural, over these many past years of changing times, has maintained the reputation of being "friendly folks." We want to maintain this good name with you.

Cordially yours,



Agricultural
Insurance Company
of Watertown, N.Y.

Friendly
Folks

Mr. Herr's New Year's letter to our agents is reproduced here as a matter of timely and general interest.

Different When It's Auto

High Crime Insurance Rates In Indianapolis Spur Action Against Criminals, Not Insurers

INDIANAPOLIS — Spurred by newspaper publicity that Indianapolis crime insurance rates are among the highest in the country, the combined law enforcement agencies have held special meetings to map a new drive against burglaries and robberies. The Indianapolis News particularly has played up the fact that local business men have to pay much higher crime insurance rates than in other cities. The lead story on the front page of one issue showed that rates here for the board form money and securities policy take the highest classification in the nation, and compared the rates with those of Chicago, Los Angeles, New York, Cincinnati, San Francisco, and Pittsburgh.

But even with the high rates, the article points out, companies are still losing money on their burglary business in Indianapolis. The specific case of Fidelity & Deposit is pointed out, the assistant manager, O. W. Schooley, stating the company has lost money in Indianapolis on the broad form for six straight years. Even with the high rates, there is very little buyer resistance, according to Mr. Schooley, because business men are sufficiently alarmed over the situation.

Immediately following the publish-

ing of the story, all the law enforcement agencies in Marion county got together to find ways to put a new drive against crime in motion. In connection with the publicity various groups blame one another for the situation. Informed insurance men, such as Mr. Schooley, blame "looseness of the parole system and court laxity" in letting many criminals back on the scene so quickly. Others blame law enforcement agencies. The chief of detectives put some of the blame on the merchants for not securing their business properties better and advised them to use more protective devices. In the entire uproar, no one has blamed the insurance companies for the high rates.

Charitable Immunity Still Holds In Wis.

Circuit court in Milwaukee has kept Wisconsin in the charitable immunity classification for the time being in a decision holding that if a hospital is to be sued for negligence of its employees the state legislature will have to adopt a statute making it possible.

The court dismissed a \$20,000 malpractice suit against St. Luke's Hospital Assn., operating St. Luke's Hospital in Milwaukee. G. J. Brunner charged that a hospital employee administered medication improperly to him while he was a patient.

The circuit court said the Wisconsin supreme court has repeatedly said charitable and religious organizations are not liable for the negligent acts of their employees or agents.

Indianapolis Casualty Underwriters Name Wilson

Indianapolis Casualty Underwriters Assn. has elected Robert W. Wilson of American States president; Alfred Davidson, Indiana Lumbermens Mutual, vice-president; Richard E. Lohss, Farm Bureau Ins. Co., secretary, and Everett M. Smartz, Gulf, treasurer.

Allstate Dedicates Ohio Office

Allstate's new Ohio regional office building in suburban Shaker Heights was dedicated on Feb. 4-5, when company officials joined with civic leaders and employees and families in an open house ceremony. Superintendent E. A. Stowell was a dinner guest and conveyed the greetings of the Ohio department.

The new building, fully air conditioned and with offstreet parking for employees, an employees' cafeteria and space for a drive-in claim service operation, replaces leased space which Allstate formerly had in downtown Cleveland.

New Highs In 1958 For Wolverine

Wolverine of Battle Creek recorded highs in 1958 in written premiums (\$17,739,684), assets (\$23,816,394), and gross surplus (\$4,133,164).

At the end of the year Wolverine owned a controlling interest in Secured of Indianapolis. Secured will continue as an independent company as will its wholly-owned subsidiary, Riverside of Little Rock. The facilities of Secured and Riverside will be expanded to act as companion companies to Wolverine's multiple line operation.

James Heinze, president of Secured, has been elected a vice-president of Wolverine, and Howard Linkfield, head of Wolverine's mobile homes department, has been advanced to vice-president of the company.

In other changes, Paul Jack has been appointed assistant to President John Carton of Wolverine, and William R. English becomes assistant vice-president and executive director of the fire department.

Russell Fairles, vice-president of Michigan National Bank of Lansing, has been elected a director of Wolverine replacing Simon Den Uyl, resigned.

Columbus Claims Club Names Zerby President

Columbus (O.) Claims Club has elected A. G. Zerby Jr. of State Automobile Mutual as president; Douglas Myers, Landan Adjustment Co., vice-president; Edwin W. Koetz, Ohio Casualty, secretary, and Richard A. Keltz, Nationwide Mutual, treasurer.

Old Republic Has Gains

Old Republic of Greensburg, Pa. (formerly Coal Operators Casualty) in its 1958 statement shows a reduction in premium volume, a reduced underwriting loss, and an over-all net profit.

Direct premiums were \$6,013,108, down \$2 million from the 1957 volume. Reinsurance ceded remained level, so that net premiums were reduced to \$3,923,937.

President J. H. Jarrell said the cut-back in premiums was deliberate in order to minimize lines in which rates have been inadequate.

There was an underwriting loss last year of \$80,933, while in 1957 the underwriting loss was \$606,808. After investment income, there was an operating gain of \$133,708, or 67 cents a share, which compares with a net loss of \$357,829 the year before.

NERCO

OFFERING THE SERVICES
OF A GROUP OF
AMERICAN COMPANIES OF
HIGHEST CHARACTER
WITH CAPITAL AND
SURPLUS
IN EXCESS OF
\$250,000,000

An underwriting agency, working through
reinsurance intermediaries.

New England Reinsurance Corporation

60 BATTERYMARCH STREET, BOSTON 10, MASSACHUSETTS
TELEPHONE HANCOCK 6-5180 Cable Address - NERCO, Boston, Mass.

KURT HITKE & CO., INC.

on your policies means you are being serviced by capable underwriters for . . .

GENERAL LIABILITY

FINANCIAL RESPONSIBILITY

TRUCKS-BUSSES

SURPLUS LINES

WORKMENS COMPENSATION

TAXICABS

NON-STANDARD AUTOS

CALL...WAbash 2-3622

175 WEST JACKSON BLVD.

CHICAGO 4, ILLINOIS

LOS ANGELES

SPRINGFIELD

MIAMI

ATLANTA

BALTIMORE

Mansfield Chairman, Buchel President Of Gulf; Report On '58

T. R. Mansfield, president of Gulf since 1944, has been elevated to chair-



A. R. Buchel



T. R. Mansfield

man and is succeeded as president by A. R. Buchel. Mr. Buchel has been vice-president since 1944. The changes apply also to Atlantic and Select.

Mr. Mansfield has been an insurance man since 1907 when he started with I. Reinhardt & Son agency of Dallas. He became an officer of Republic of Dallas in 1918. Seven years later he resigned to organize Gulf in association with the late George W. Jalonick Jr. Mr. Mansfield was secretary of Gulf when the company began operations, advanced to vice-president in 1932, executive vice-president in 1941 and president in 1944. He will continue to be active in the operation of all three companies.

Buchel Joins In 1925

Mr. Buchel joined Gulf in 1925 and was in the office and in the field until becoming assistant secretary in 1937. He was advanced to secretary in 1942, vice-president in 1944 and senior vice-president in 1956.

Gulf and its affiliates had a successful year in 1958. Consolidated premium income was \$24,462,598, an increase of \$2.8 million. Assets were \$54,921,770, an increase of \$10.4 million; surplus of \$26,663,567 was a gain of \$7.7 million; unearned premium reserve at \$22,367,409 was up \$2,072,113, and investment income of \$1,368,640 was an increase of \$46,404. Underwriting profit in 1958 was \$725,451.

It was voted to increase the capital by \$500,000 to a total of \$3.5 million by payment of \$500,000 stock dividend. It is expected the current dividend of \$2 a share will be continued on the increased capitalization.

Talbott In Mich., Burkle In Ore. For American

Richard W. Talbott, special agent of American at Indianapolis, has been transferred to Grand Rapids. James A. Burkle has joined the group as special agent for eastern Oregon and southern Washington, with headquarters at Portland.

Mr. Talbott joined American in 1956. He became an underwriter at Indianapolis and then special agent there. Mr. Burkle was formerly with Royal-Globe at Omaha as a special agent trainee and later with a Portland general agency as an underwriter and field man.

Superior Of Dallas Reports

E. T. Earnest, president of Superior of Dallas, reporting to stockholders on 1958 operations, commented that since the acquisition of Superior by Great Southern Life plans are progressing

for integrating production activities of the group to make available full multiple line facilities.

As of Dec. 31, Superior had assets of \$8,611,866, an increase of \$415,498, and surplus at \$2,721,820, a gain of \$224,674.

Los Angeles A&H Assn. Donates \$1,000 To Hospital, March Of Dimes

A check for \$500 has been presented to Orthopedic Hospital in Los Angeles, by members of Los Angeles A&H Underwriters Assn. Contributions will go toward the hospital's new \$6,500,000 orthopedic center. Presentation of the check was made by Miss Frances Sandidge, association president and brokerage manager of Paul Revere Life, and Jack Roelofson of Washington National, secretary-treasurer of the association. A second donation of \$500 was made by the association to the 1959 March of Dimes.

Southern Connecticut Assn. of A&H Underwriters at its March 10 meeting in New Haven will hear Raymond A. Geiger, editor of Farmer's Almanac.

Standard Accident 1958 Statement Shows Improvement

Standard Accident had an improvement in underwriting results in 1958, but still experienced a loss of \$5,163,000 which compares with \$8,241,000 the year before. The 1958 loss was partially offset by a \$750,000 profit on special reinsurance accepted, so the net underwriting loss from all sources was \$4,413,000.

Investment earnings increased 5% to \$2,718,000, and \$2,022,000 was added to gross surplus, which at Dec. 31 totaled \$29,903,000.

The company had an indicated loss of \$2.84 a share last year, which compares with a loss of \$2.16 in 1957. The 1957 loss was net as to an increase of \$5.52 per share in the equity and unearned premium reserve and tax recovery of \$3.80. The 1958 increase in premium reserve equity was only 60 cents a share and there were no tax recoveries. Investment earnings

of \$5.52 a share were more than offset by the underwriting loss.

Net written premium volume of Standard Accident and the affiliated Planet increased 4.1% to \$66,787,000 excluding \$8 million of special reinsurance accepted in 1958. The ratio of loss and loss expense to earned was 66.1 and underwriting expense to written 40.7.

Standard Accident and Planet concluded 1958 with assets of \$133,925,000.

The Canadian affiliate, Pilot, had its 21st consecutive year of profitable operation, showing a 10.7% underwriting gain on premium volume of \$4,140,000. The capital-surplus account increased \$309,000 to total \$3,002,000.

Ky. Field Men Holding Educational Sales Meetings

A series of educational sales meetings is being held by Kentucky Capital Stock Insurance Assn. Meetings were held at Covington-Newport, Feb. 17; Lexington, Feb. 18; London, Feb. 19, the others to be held at Bowling Green, Feb. 24, Owensboro, Feb. 25; and Kentucky Dam Village, Feb. 26—John Blackmarr, Scottish Union, chairman.

SECURITY * STRENGTH * SERVICE

UNITED STATES RESOURCES AS OF DECEMBER 31, 1958

Year Estab- lished		ASSETS			LIABILITIES	CAPITAL	SURPLUS TO POLICYHOLDERS (Includes Capital)	
		Securities Deposited as Required by Law	Other Admitted Assets	Total Admitted Assets			Annual Statement Basis	Market Value Basis
1896	American and Foreign Insurance Co.	\$ 421,000	\$ 27,122,331	\$ 27,543,331	\$ 16,644,577	\$ 1,500,000	\$ 10,898,754	\$ 9,212,383
1863	The British and Foreign Marine Insurance Co. Ltd.	1,141,039	16,515,660	17,656,699	10,563,600	* 500,000	7,093,099	6,005,113
1911	Globe Indemnity Company	1,099,766	122,339,745	123,439,511	74,290,691	2,500,000	49,148,820	42,061,959
1836	The Liverpool and London and Globe Ins. Co. Ltd.	1,266,559	60,002,881	61,269,440	36,681,917	* 500,000	24,587,523	20,643,973
1811	Newark Insurance Company	730,000	34,835,974	35,565,974	21,514,749	2,000,000	14,051,225	12,008,269
1891	Queen Insurance Company of America	799,552	89,739,428	90,538,980	54,890,847	5,000,000	35,648,133	29,836,387
1910	Royal Indemnity Company	1,144,548	95,184,078	96,328,626	57,859,762	2,500,000	38,468,864	33,286,510
1845	Royal Insurance Company, Ltd.	1,219,449	69,030,794	70,250,243	42,819,253	* 500,000	27,430,990	23,517,031
1860	Thames and Mersey Marine Insurance Co., Ltd.	1,141,494	9,699,564	10,841,058	6,365,352	* 500,000	4,475,706	3,844,641
Group Total		\$8,963,407	\$524,470,455	\$533,433,862	\$321,630,748	\$15,500,000	\$211,803,114	\$180,416,266

*The amount shown under "Capital" is the statutory deposit required to transact business in the U. S. A. by a United States Branch.

CASUALTY—SURETY—FIRE—MARINE

ROYAL-GLOBE INSURANCE GROUP

ONE HUNDRED FIFTY WILLIAM STREET, NEW YORK 38, N. Y.



"Hope you get the point, Boss"



THE PHOENIX of Hartford
INSURANCE COMPANIES

EXECUTIVE OFFICES: 61 WOODLAND ST., HARTFORD 15, CONN.

THE PHOENIX INSURANCE COMPANY THE CONNECTICUT FIRE INSURANCE COMPANY EQUITABLE FIRE AND MARINE INSURANCE COMPANY
WINNEAPOLIS FIRE AND MARINE INSURANCE COMPANY RELIANCE INSURANCE COMPANY OF CANADA

ALL FORMS OF INSURANCE EXCEPT LIFE

LOUIS J. PASTOR
and COMPANY, INC.

• Reinsurance
treaty
facultative

175 W. Jackson Blvd.
Chicago 4, WABash 2-5073

Conventions

- Feb. 25-27, Michigan agents, midyear, Statler-Hilton, Detroit.
- Feb. 26-28, Texas mutual agents, midyear, Commodore Perry Hotel, Austin.
- Feb. 26-28, Tri-State Mutual Agents Assn. of Pennsylvania, Maryland & Delaware, annual, Penn-Harris Hotel, Harrisburg.
- March 4-5, Insurance Underwriters Assn. of the Pacific (formerly FUAP), annual, Sheraton-Palace Hotel, San Francisco.
- March 9, West Virginia I-Day, Stonewall Jackson Hotel, Clarksburg.
- March 9-10, New Jersey agents, midyear, Berkeley-Carteret Hotel, Asbury Park.
- March 10, Pittsburgh I-Day.
- March 12-13, Conference of Mutual Casualty Companies, underwriting conference, Conrad Hilton Hotel, Chicago.
- March 19-21, Assn. of Insurance Attorneys, annual, Detroit.
- March 20, Washington agents, midyear, Port Angeles.
- March 23-25, National Assn. of Independent Insurers, workshop, Shamrock-Hilton Hotel, Houston.
- March 23-25, National Assn. of Mutual Insurance Agents, midyear, Hollywood Beach Hotel, Hollywood, Fla.
- March 25-27, Pacific Insurance & Surety Conference, annual, Santa Barbara Biltmore Hotel, Santa Barbara, Cal.
- April 1-4, Zone 2 of NAIC, Greenbrier, White Sulphur Springs, W. Va.
- April 2-4, National Assn. of Surety Bond Producers, annual, Plaza Hotel, New York.
- April 5-7, Eastern Conference of the National Assn. of Insurance Agents, annual, Hilton-Statler Hotel, Buffalo.
- April 5-7, Midwest Territorial Conference of the National Assn. of Insurance Agents, annual, Hotel Skirvin, Oklahoma City.
- April 5-7, New York mutual agents, annual, Hotel Syracuse, Syracuse.
- April 5-7, Oklahoma agents, 50th annual, Hotel Skirvin, Oklahoma City.
- April 10-11, Southern Agents Conference of NAIA, annual, Admiral Semmes Hotel, Mobile.
- April 13, Rhode Island Assn. of Insurance Agents, midyear, Sheraton-Biltmore Hotel, Providence.
- April 16-17, Ohio mutual agents, annual, Neil House, Columbus.
- April 19-21, Mississippi mutual agents, annual, Hotel Heidelberg, Jackson.
- April 19-21, Rocky Mountain Territorial Conference of NAIA, Broadmoor Hotel, Colorado Springs.
- April 26-28, National Board of State Directors of NAIA, midyear, and Far West Agents Conference of NAIA, annual, Westward Ho Hotel, Phoenix.
- April 26-28, Iowa agents, annual, Roosevelt Hotel, Cedar Rapids.
- April 28-May 1, Zone 5 of NAIC, Arlington Hotel, Hot Springs, Arkansas.
- April 30, Midwestern Independent Statistical Service, annual, LaSalle Hotel, Chicago.
- April 30-May 1, Conference of Mutual Casualty Companies, claim conference, Conrad Hilton Hotel, Chicago.
- April 30-May 2, North Carolina agents, annual, Carolina Hotel, Pinehurst.
- May 3-5, Alabama agents, annual, Whitley Hotel, Montgomery.
- May 3-5, Florida mutual agents, annual, Robert Meyer Hotel, Jacksonville.
- May 3-5, New York agents, annual, Hotel Syracuse, Syracuse.
- May 3-5, Zone 3 of NAIC, Sheraton-Seelbach Hotel, Louisville.
- May 4-6, American Mutual Insurance Alliance, annual, Edgewater Beach Hotel, Chicago.
- May 4-6, Health Insurance Assn., Bellevue-Stratford Hotel, Philadelphia.
- May 4-6, National Assn. of Mutual Casualty Companies, annual, Edgewater Beach Hotel, Chicago.
- May 6-8, National Assn. of Independent Insurance Adjusters, annual, Shamrock Hilton Hotel, Houston.
- May 11-13, Pacific Board, annual, Biltmore Hotel, Santa Barbara, California.
- May 11-14, National Assn. of Insurance Brokers, annual, Waldorf-Astoria, New York.
- May 12, Assn. of Casualty & Surety Companies, annual, Waldorf-Astoria, New York.
- May 12-15, Insurance Company Education Directors, annual, Skytop, Pa.
- May 14-15, Arkansas agents, annual, Arlington Hotel, Hot Springs.
- May 14-15, Central Claim Executives Assn., Marrott Hotel, Indianapolis.
- May 14-15, National Assn. of Casualty & Surety Agents, midyear, Ambassador Hotel, Chicago.
- May 17-20, Insurance Accounting & Statistical Assn., annual, Ambassador Hotel, Atlantic City.
- May 18, Vermont agents, spring meeting, Woodstock Inn, Woodstock.
- May 18-20, American Assn. of Managing General Agents, annual, Essex House, New York.
- May 18-20, Illinois Bureau of Casualty Insurers, annual, St. Nicholas Hotel, Springfield.
- May 18-20, Insurance Accounting and Statistical Assn., annual, Ambassador Hotel, Atlantic City.
- May 21, National Board of Fire Underwriters, annual, Biltmore Hotel, New York.

Marsh & McLennan And W. H. Mercer Ltd. Merge

The merger has been announced of William M. Mercer Ltd., Canadian pension consulting firm, with Marsh & McLennan. Operations of William M. Mercer will continue as heretofore.

Mercer maintains offices in Vancouver, Montreal, Toronto, Calgary, Winnipeg and Windsor. Marsh & McLennan operates in Canada as Marsh & McLennan Ltd., with offices in Montreal, Toronto, Vancouver and Calgary.

Wm. H. Malone, Inc.

744 BROAD STREET

Newark 2, N. J.

▼ ▼ ▼

Surplus and Excess Lines

REINSURANCE

Phone

Mitchell 2-5351

Service Guide

O'TOOLE ASSOCIATES

Incorporated
Management Consultants to
Insurance Companies

Established 1945
220-02 Hempstead Avenue
QUEENS VILLAGE 29, NEW YORK

The LAWRENCE WILSON COMPANY

Managing General Agents
SURPLUS LINES-ALL FORMS
Represented at LLOYD'S LONDON
First National Bank Building
Tulsa 3, Okla.

ROBERT I. BUSHNELL

Management Consultant
to Insurance Organizations

Hoydens Hill Road Fairfield, Connecticut
Clearwater 9-8852

BOWLES, ANDREWS & TOWNE, Inc.

ACTUARIES
MANAGEMENT CONSULTANTS
LIFE—FIRE—CASUALTY
EMPLOYEE BENEFIT PLANS
RICHMOND ATLANTA NEW YORK
PORTLAND

WHITE & WHITE

Inspection & Audit Service
Offices in 18 Midwestern Cities
Prompt—Efficient—Economical
629 East 71st Terrace
Kansas City 10, Mo.

CONFIDENTIAL NEGOTIATIONS
OR SALE OF
INSURANCE COMPANIES

ALPH F. COLTON
36 N LaSalle St Chicago 2, Ill.
Financial 6-9792

Mass. Agents Vote Vs Direct Billing

Directors of Massachusetts Assn. of Insurance Agents at a meeting in Boston took a firm stand against direct billing of accounts by insurers. One director said that "some companies in the agency system continue to harass their producer forces in their continued drive toward direct billing procedures which could eventually wreck the agency system."

An association statement said that for many years the producers have been held responsible for collection of their accounts and with very few exceptions have paid their obligations when due. It is, therefore, not clear just why there is need for any change in the procedure.

"We are given to understand that some companies are endeavoring to devise a system which will release the producer of the expense of this detail," the association stated. "Producers, however, are not asking for relief. All they want is adequate compensation for their services. Company thinking persists in following the line of reducing producer income and then developing a gimmick theoretically to reduce the expense of operations to justify their enforced reductions in producer income."

Big Agency Investment

"Company executives must be made to realize that the agent has a large amount of capital invested in trained personnel, office equipment, buildings and accounts, all of which represent salable assets. He is not going to stand idly by and see the companies liquidate him through direct operations."

"This is the day of fierce competition among insurers. It is only natural that each company should look for ways and means of operating more efficiently. But just how a company can reduce its costs by assuming a whole new collection operation has not been satisfactorily explained. Even with modern electronic machines, it is more economical to collect \$100,000 from one source, the agent, than from 1,000 or 1,500 sources, insured."

"Credit and collection handling require considerable judgment and human understanding for which no machine has yet been devised."

"Perhaps real economies could be effected if the company executives through their rating organizations would heed producer organization requests for joint cooperative studies toward general improvement of our business."

"Until this is accomplished we producers will continue to fight for our rights and existence."

Monckton Raised By Government Employees

Government Employees has elected William J. Monckton assistant vice-president in charge of the New York regional office. He was formerly assistant comptroller of the company and comptroller of Government Employees Life. Prior to joining the companies in 1955 he was controller of Cia De Seguros Bolivar in Bogota, Columbia. Before that he was controller of U. S. Life.

Seek Broader WC In Mich.

LANSING—Renewed efforts to liberalize Michigan workmen's compensation act have marked the first few weeks of the legislative session. Sen. Rahoi, Iron Mountain, who has sponsored many unsuccessful bills at past

sessions, has begun introduction of such measures and also has offered a compulsory disability bill. Latest compensation bill, however, was introduced by Rep. Wisti of Hancock and several colleagues. This would increase compensation benefits by \$2 weekly. It also would permit a claimant to choose his own physician and would force employers, if they delayed or contested payments, to make an additional payment to cover expense of witnesses and other incidental costs to pressing a successful claim.

Loos Associates Expand

Hugo J. Loos Associates, marine surveyors of Miami, have extended their operations to include cargo and aviation surveys. Donald Mahoney, adjuster with Chubb & Son 21 years, has joined the firm.

Is Kemper Junior Board Chairman

Richard R. DeMark, assistant advertising manager, has been elected chairman of Kemper companies' junior board. He will serve the unexpired term of Martin P. Luthy Jr., who has been transferred to Summit, N. J.

K.C. F.&M. Improves Loss Ratio 9 Points

The over-all loss ratio for all classes of business written by Kansas City F.&M. last year was 58.3%, compared with 67.6% in 1957. The better performance reflected the emphasis placed on preferred dwelling business and a planned curtailment in the auto and casualty lines. Fire premiums were up 7.4% and equaled 55% of the total volume; auto and casualty volume decreased 26.2%.

The loss ratio on fire dropped sharply to 48.8%, while the loss ratio on auto and casualty was 67.7%.

Even though the company improved its underwriting results, higher retentions resulted in an increase in unearned premium reserve. Consequently, a statutory underwriting loss of \$141,325 was reported.

Gross premiums were \$11,005,775, down from \$11,399,309 in the previous year. The drop largely stemmed from the loss of one large auto financing account.

Net investment income was \$220,407. Net earnings, before allowance for

unearned premium reserve equity, were \$78,440, equal to 78 cents a share, against \$181,666, or \$1.82 a share, in 1957. After giving credit to the equity increase, the net gain from operations amounted to \$222,452, equal to \$2.22 a share, against a net loss of \$39,398 in 1957.

Policyholders surplus rose \$686,561 to \$4,139,846. Stockholder equity Dec. 31 was \$51.74 a share, compared with \$43.77 a share a year earlier.

Assets passed \$10 million.

Aldrich Joins National Council

William C. Aldrich has joined National Council on Compensation Insurance in New York as an executive staff assistant. He was previously in general practice with the Springfield, Mass., law firm of Bulkley, Richardson, Godfrey and Burbank.

R. I. Gets Compulsory Bill

A compulsory automobile bill has been introduced in the Rhode Island general assembly for the fourth straight year. An unsatisfied judgment fund bill was presented for the second time. Both bills died in committee last year.

You'll enjoy "THE TWENTIETH CENTURY," Sundays, CBS-TV

your
corporate
associate
can be
your
downfall

Your Corporate
Associate



"Send for a copy of this free folder"

That's the title of an interesting and important booklet that was designed especially to help you sell Business Insurance. It is a clearly written and cleverly illustrated picture story with special emphasis on the need for insuring corporate associates.

This Prudential booklet, "YOUR CORPORATE ASSOCIATE CAN BE YOUR DOWNFALL," has already been tested and proven valuable to brokers in selling Business Insurance. For your free copy of this informative sales aid, send the coupon at right.



NJ-73

NAME _____

ADDRESS _____

CITY & STATE _____

THE PRUDENTIAL INSURANCE COMPANY OF AMERICA

TO: BROKERAGE SERVICE.

THE PRUDENTIAL, NEWARK 1, N. J.

☐ Please send me a free copy of "Your Corporate Associate Can Be Your Downfall"

☐ I would like more information about Prudential's Brokerage Services and how they can help me increase sales

National Fire's Earnings Soar

National Fire and Transcontinental showed consolidated net income from 1958 operations amounting to \$5,173,481, or \$10.35 per share, compared with \$2,050,920, or \$4.10 per share, in 1957. Underwriting results improved materially and a statutory underwriting gain of \$1,136,883 was recorded. This compares with an underwriting loss in 1957 of \$1,968,164.

Net premiums written were \$55,076,026, or \$2,991,692 less than in 1957. This decrease is more than accounted for by the casualty classes which the companies ceased writing during 1957. Premiums earned decreased from \$69,884,379 to \$56,392,185. This large decrease is brought about by the very substantial release of funds from unearned premium reserves in 1957, caused by the large amount of casualty business expiring in that year, whereas this factor was greatly reduced in 1958.

Losses and loss adjustment expenses

incurred on all lines decreased to 54% of earned premiums compared with 64.2% in 1957. The combined underwriting losses and expenses amounted to 98% of earned premiums, a decrease from 102.8%.

Net earnings from investments, exclusive of capital gains and losses, amounted to \$4,036,598, or slightly higher than 1957 earnings of \$4,019,084.

Assets increased \$9,686,141 and amounted to \$144,379,412. Policyholders surplus increased from \$47,742,480 to \$65,525,919.

Ohio Farmers Holds 111th Annual Parley

Approximately 350 local agents were present for the 111th annual meeting of Ohio Farmers at LeRoy. The program included the school of insurance, the annual company meeting, a brief report on the financial statement, the annual meeting of Ohio Farmers Agents' Assn., and a banquet.

On hand from out of town were George S. Valentine, vice-president and manager, and Vance Hines, assistant vice-president and assistant manager of the eastern department, and their field force; Dana L. Jones, vice-president and manager, and LeRoy Hanson, assistant secretary of the Pacific Coast department; Beau Selman, president, and Harry Blackburn of Selman & Co. general agency of Tulsa; J. Boyd Hill, president of J. B. Hill & Co. general agency of St. Louis.

Arthur Dannecker, advertising and sales promotion manager, handled the school of insurance, the program being devoted to "An Inside Look At The New Homeowners."

Curtis In Charge Of Meeting

President E. C. Curtis was in charge of the company meeting at which the financial and underwriting statements were read by A. C. England, secretary. He said the surplus of Ohio Farmers Dec. 1 was \$9,595,694 and assets were \$27,054,694. Ohio Farmers Indemnity had surplus of \$4,305,205 and assets of \$21,525,618.

Lawrence Johnson of Circleville was in charge of the meeting of Ohio Farmers Agents' Assn. New officers elected were: President, Howard Hewitt, Youngstown; vice-president, Frank Copley, Sandusky; secretary and treasurer, C. D. Palmer, Columbus, and executive committee chairman, Roy Donnelly, Marietta.

Seven agents received "Old Man on the Fence" statuettes for 25 years of representation, and Paul Kridler, Fremont, was given a gold pen and pencil set for 50 years.

Investigator Discusses Investigators Before Chicago Claim Assn.

The claim manager and the investigator can work well together, providing the latter does an honest job, applies himself and keeps in close touch. This was the opinion of John Kennedy, General Investigations, Inc., as he addressed the February meeting of Chicago Claim Assn.

Noting that his organization had recently finished training the Chicago Fire Department's newly formed arson squad, Mr. Kennedy said that investigators need possess only "average ability." Success is most often predicated upon the investigator's amount of determination.

Films Supplement Talks

Mr. Kennedy supplemented his talk with films which gave visible proof that an investigator, at least one who has furnished himself with a camera equipped with a three inch lens, is often the deciding factor in ascertaining whether or not a claimant is a fraud.

Because of the resignation of Norman E. Whiton, Loyal Protective Life the association has a new vice-president—Edward G. Finneran, National Casualty.

The next meeting of the association is March 11.

Annual Statements

Balance sheet of THE HOME INSURANCE COMPANY • December 31, 1958

ADMITTED ASSETS

United States Government Bonds	\$ 70,864,913.91
Other Bonds	113,878,614.79
Preferred and Common Stocks	263,647,575.00
Cash in Office, Banks and Trust Companies	16,529,333.64
Real Estate	6,453,756.24
Agents' Balances or Uncollected Premiums	
Less than 90 days due	36,516,599.49
Other Admitted Assets	8,849,373.16
Total Admitted Assets	\$516,740,166.23

LIABILITIES

Reserve for Unearned Premiums	\$187,460,596.00
Reserve for Losses and Loss Expenses	38,476,509.00
Reserve for Taxes	6,650,000.00
Reserve for Reinsurance	2,861,824.30
Dividends Declared	2,000,000.00
Other Liabilities	3,963,980.12
Total Liabilities	\$241,412,909.42
Capital	20,000,000.00
Surplus	255,327,256.81
Surplus as Regards Policyholders	\$275,327,256.81
Total	\$516,740,166.23

Bonds carried at \$6,457,216.06 amortized value and cash \$58,100.00 in the above balance sheet are deposited as required by law. All securities have been valued in accordance with the requirements of the National Association of Insurance Commissioners. Based on these values the stocks of The Home Insurance Company exceed the book value by \$145,268,898.12.

Balance sheet of THE HOME INDEMNITY COMPANY • December 31, 1958

ADMITTED ASSETS

United States Government Bonds	\$ 25,188,148.66
Other Bonds	23,381,994.56
Preferred and Common Stocks	15,325,212.00
Cash in Office, Banks and Trust Companies	1,616,562.04
Agents' Balances or Uncollected Premiums	
Less than 90 days due	7,015,550.36
Other Admitted Assets	2,149,672.77
Total Admitted Assets	\$ 74,677,140.39

LIABILITIES

Reserve for Unearned Premiums	\$ 23,489,921.00
Reserve for Losses and Loss Expenses	33,108,777.00
Reserve for Taxes	1,175,000.00
Reserve for Reinsurance	102,704.38
Other Liabilities	1,474,562.15
Total Liabilities	\$ 59,350,964.53
Capital	1,500,000.00
Surplus	13,826,175.86
Surplus as Regards Policyholders	\$ 15,326,175.86
Total	\$ 74,677,140.39

Bonds carried at \$1,099,000.00 amortized value in the above balance sheet are deposited as required by law. All securities have been valued in accordance with the requirements of the National Association of Insurance Commissioners. Based on these values the stocks of The Home Indemnity Company exceed the book value by \$7,519,136.24.

HAROLD V. SMITH
Chairman of the Board
KENNETH E. BLACK
President

DIRECTORS The Home Insurance Company

LEWIS L. CLARKE
Banker

HAROLD V. SMITH
Chairman of the Board

ROBERT W. DOWLING
President
City Investing Co.

GEORGE GUND
President
The Cleveland Trust Co.

HAROLD H. HELM
Chairman of the Board
Chemical Corn Exchange Bank

CHARLES A. LOUGHIN
Vice President
General Counsel

IVAN ESCOTT
Montclair, N. J.

PERCY C. MADEIRA, JR.
Philadelphia, Pa.

CHAMPION McDOWELL DAVIS
Retired President
Atlantic Coast Line Railroad Co.

HENRY C. BRUNIE
President
Empire Trust Company

HAROLD K. PARK
Chairman of the Board
The First National Bank of Columbus, Georgia

THOMAS J. ROSS
Senior Partner
Ivy Lee and T. J. Ross

HENRY C. VON ELM
Honorary Chairman
of the Board
Manufacturers Trust Company

JOHN M. FRANKLIN
President
United States Lines Company

LOU R. CRANDALL
Chairman of the Board
George A. Fuller Company

KENNETH E. BLACK
President

LEONARD PETERSON
Maplewood, N. J.

HERBERT A. PAYNE
Vice President & Secretary

J. EDWARD MEYER
President
Cord Meyer Development Company

ARTHUR C. BARSON
Vice President
Barson's Reports, Inc.

ROBERT G. GORLEY
Real Estate

WALTER F. PEARCE
Shearman & Sterling & Wright

EMIL SCHRAM
Chairman of the Board
Butler Brothers

The HOME Insurance Company
Property Protection since 1853
and THE HOME INDEMNITY COMPANY



IUAP Schedules Annual March 4-5 At San Francisco

Arthur C. Goerlich, president of Insurance Society of New York, will be the featured speaker at the annual meeting March 4-5 of Insurance Underwriters Assn. of the Pacific, formerly Fire Underwriters Assn. of the Pacific, at the Sheraton-Palace Hotel, San Francisco. His talk, "The Insurance Profession," will be delivered at the final day luncheon which will replace the traditional FUAP banquet.

The conventioners will be welcomed Wednesday by retiring Commissioner McConnell. Other speakers and their subjects are: Jay W. Stevens, National Board, "The Home Inspection Program;" John W. Cowee, professor of insurance University of California, "Compulsory Insurance and the Uninsured Motorist;" William J. Hobin, president California Assn. of Insurance Agents, "Agents Optimistically View the Future;" David L. Hardin, president Washington Fire Underwriters Assn., "Eyes and Ears of the Insurance Company;" and B. T. Hannan, Underwriters Inspection Service, "Unexpected Hazards of Modern Industry."

Speaking Thursday morning will be Commissioner Duncan of Alaska, who will discuss insurance in the 49th state, and Charles F. Richter, California Institute of Technology, who will describe "Earth Structure and Earthquakes."

Arizona Agents Found Annual Scholarship

A new scholarship, to be known as Arizona Assn. of Independent Insurance Agents scholarship, has been presented to the University of Arizona by the association. In presenting the scholarship to President Richard A. Harvill of the university, D. M. Lovitt, president of the agent's association, said the grant would be in the amount of \$200 awarded annually to an Arizona resident enrolled in Arizona University's college of business and public administration who is majoring in insurance and who manifests a sincere interest in making property and casualty insurance his or her life work.

The scholastic record of the applicant is to be the primary basis of selection, with need a secondary consideration. The association would prefer that the recipient be an upper-division student, Mr. Lovitt said.

The association has requested that the selection of recipients be based on recommendations to be made to the university committee on scholarships and awards by a committee consisting of the major professor in insurance, the dean of the college of business and public administration, and an insurance agent selected by the president of the Arizona Assn. of Independent Insurance Agents. The scholarship is to become effective during the academic year 1959-60.

Mich. Ganders Gather

Michigan Blue Goose at its February meeting completed arrangements for

incorporation. The meeting was held at Grand Rapids, but adverse weather held the turnout to a disappointing level. Frank Westerman, Boston, MLG, presided.

A talk on the goal for the 1960 Blue Goose Grand Nest to be held at Detroit was given by E. C. Saulcy, Great American.

Cleveland I-Day Set For March 9

Cleveland Insurance day has been set for March 9 at the Manger Hotel. According to the advance program, the annual event begins at 9:00 a.m. with a keynote forum, which includes an address by Superintendent Stowell and a brief talk by Paul R. Goldenbogen, president A. F. Goldenbogen agency and vice-president Insurance Board of Cleveland.

At 9:30 there will be a CPCU workshop session on agent-company relationships, with William E. Wilson of the agency bearing his name and associate I-Day chairman, presiding. Participants include Willis L. Davis, Albert Rees Co. agency; Jack I. Hersh, Dorsey Insurance agency; Theodore A. Livingston, American Casualty, and Harold R. Woodworth, Indemnity of North America.

Panel Scheduled For Afternoon

The afternoon session begins at 2:00 with a panel on cost of agency operation, with Jay D. Freer, vice-president Freer-Heene-Wasson Co. agency, also an associate I-Day chairman, presiding. Participants are John W. Frazier, president James & Manchester Co. agency; E. E. Evans of the agency bearing his name; H. K. Dawson, president and treasurer Dickinson & Co. agency, and Mr. Wilson.

Wind-up speaker is Marshall B. Simms, director multiple line development, Continental Assurance.

Paul D. Cousineau, general chairman for the event, will preside at the luncheon. Arthur M. O'Connell, vice-president Thomas E. Wood agency, Cincinnati, as principal speaker will discuss "Revolution in the Industry." Speaking briefly will also be Ivan Steiner Jr., president Ohio Assn. of Insurance Agents, and Mayor Celebrezze of Cleveland.

St. Paul F.&M. Names Horner SA At Cleveland

Harold E. Horner, special agent, has been advanced to state agent by St. Paul F.&M. and transferred from Cincinnati to Cleveland to travel the northwestern Ohio territory. He joined St. Paul in 1955 as a special agent at Columbus, O., where he remained until going to Cincinnati in 1957.

Four New IHS Members

Country Mutual, Suburban Casualty, Security Mutual Casualty and Millers Mutual of Alton have joined Illinois Insurance Information Service, bringing membership to 20.

G. William Gunnison has been elected a vice-president of Leslie H. Cook, reinsurance agency of Chicago. He has been with the organization for six years.

Reviews Limitations, Proper Uses Of Self Insurance Plans And Their Cost To Buyer

The reason for embarking on a plan of self insurance is to effect a savings in risk costs, Henry E. Theobald, assistant dean of school of business of Northwestern University, told the annual meeting of Society of Property & Casualty Underwriters at New Orleans. Mr. Theobald is a CPCU and a CLU.

The risk manager is not only an in-

surance buyer but is also concerned with those risks that are to be self insured, as well as those risks which are not to be insured at all, he said. His primary responsibility, whether he works for a large corporation or a small business, is to safeguard the assets against those losses which can seriously affect the cash flow of the

(CONTINUED ON PAGE 24)

THE KEY

TO
better service
greater sales
more profits



FULL MULTIPLE LINE PRODUCTION

ACCIDENT
& SICKNESS

AUTOMOBILE

BOILER &
MACHINERY

BURGLARY

FIDELITY &
SURETY

FIRE & ALLIED

LIABILITY
Including Professional lines

MARINE

MULTIPLE PERIL

PLATE GLASS

WORKMEN'S COMPENSATION

More income from each account and better-satisfied policyholders... Acco's exceptional multiple line portfolio enables agents to achieve both objectives. The full range of casualty, surety, fire and multiple-peril coverages are available —plus superlative A. & H. facilities. For information, write the Home Office Agency Department.

AMERICAN CASUALTY

54 BRANCH OFFICES COAST TO COAST
HOME OFFICE: READING, PENNSYLVANIA
SINCE 1902

"SERVICE THAT SATISFIES"

ALLEN, MONTGOMERY & THATCHER

INSURANCE PAYROLL AUDITORS and INSPECTORS
3423 FULLERTON AVE. CHICAGO 47

Eight Officers Named By Arkwright Mutual

Arkwright Mutual has elected George M. Wile 1st vice-president; Kenneth M. Lyons and Pierce Davis, vice-presidents; Charles T. Walker and Irving C. Perry regional vice-presidents; G. Malcolm McNeil secretary; and George S. Orluck and Philip E. Teschner assistant vice-presidents.

Browne Advertising has moved to larger quarters at 7 East 47th Street, New York City.

U.S.F.&G. Promotes Serbe To N.J. Manager

U.S.F.&G. has promoted Gilbert Serbe from assistant manager to manager of the northern New Jersey office, at Orange. He succeeds P.A.S. Rogers, who retires after 48 years with the company. Mr. Serbe joined the company in Newark in 1930 and later became associate superintendent of the casualty department. He was appointed assistant manager at Orange in 1956.

Mr. Rogers joined the company in

New York in 1911 and worked in the fidelity-surety and claim departments. He was transferred to the Newark claim department in 1916. He was named assistant manager in 1922 and manager in 1944. Under his direction the Newark branch was moved to Orange in 1956.

Miss Ada M. Young, secretary H. Patrick Sweeney & Co. agency, Cincinnati, was feted by that agency on her retirement. Miss Young has been with the Sweeney organization for 19 years. She became an officer in 1947.

Fireman's Fund Makes Several Changes In So. Cal. Casualty Unit

Harold M. Steele has been appointed manager of the southern California auto and casualty department of Fireman's Fund at Los Angeles. He succeeds George W. McKay, who recently retired after 30 years with the company.

Mr. Steele originally joined Fireman's Fund in 1936. Then, after an absence of some years, he returned to the Fund in 1950. In 1955 he was transferred from the home office to the southern California department.

William A. Richmond has been named assistant manager with responsibility for over-all supervision of auto-casualty underwriting. He joined the Fund in 1944.

George L. Doubleday has been named assistant manager with responsibility for production activities for the auto-casualty operation. Prior to his present appointment, he was agency superintendent in auto-casualty. He joined the company in 1946.

In general liability and automobile operations, William R. Greenfield has been named superintendent of underwriting. He started with the Fund in 1947 as a compensation underwriter.

W. D. Saunders has been appointed supervisor of workmen's compensation underwriting. He joined the Fund in 1956.

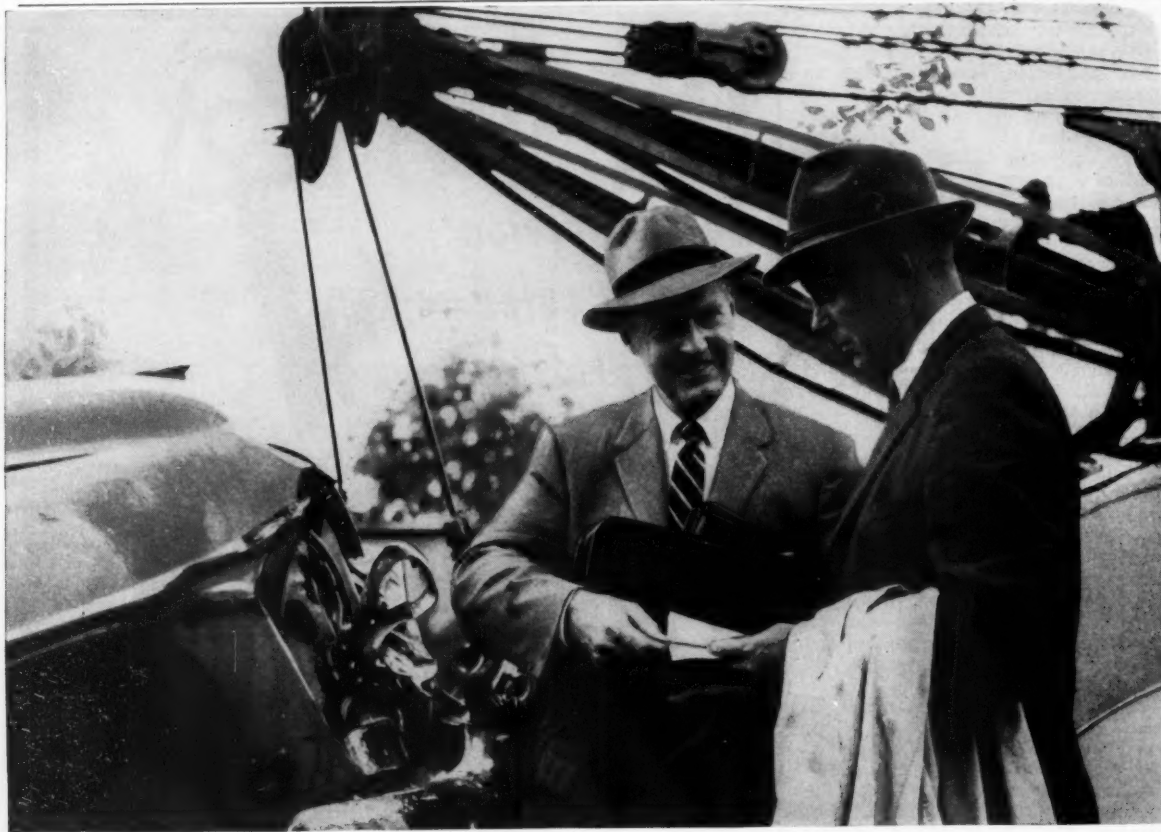
Standard Of Tulsa Reports

Standard of Tulsa had an underwriting loss of \$105,000 in 1958, but showed an increase in surplus of \$439,347, bringing the total to \$2,767,430.

The report to stockholders comments on the results over the past five years, and breaks down the premium dollar for this period into 67.8% for claims and claim expense, 18.1% for commission and 11.5% for company operations. The latter figure compares with the 15.5% industry average. The company shows a 2.6% trade profit over the last five years.

Standard's premiums in 1958 were \$5,420,761, and the net income on operations was \$83,345.

The Massachusetts department is appealing to the state supreme court the recent decision of Supreme Court Justice Cutter which upheld Liberty Mutual's right to use a \$100 wind deductible in its extended coverage. The department opposed the filing.



Why "service" is such a strong sales tool for 33,000 Hartford Group Agents

More than just a word, it's a way of doing business

Hartford Group Agent Warren Bowlus, of Fremont, Ohio, was just getting ready to call it a day and go home when his office phone rang.

The caller was a motorist from North Dakota—a Hartford policyholder. His car had been in a collision. His wife was hurt. In a strange community, he had no one to turn to for help except the local Hartford agent.

Hartford Service in Action

Agent Bowlus went to him at once. Later, to his wife in the hospital. He checked on the damage to the couple's car... contacted the other driver... got in touch with the police. And he also arranged to have the policyholder's car repaired at a local shop.

33,000 Strong

Agent Bowlus takes personal pride and satisfaction in being a "working link" in Hartford's nation-wide chain of over 200 Claim Service Offices and 33,000 local agencies. It gives him a warm feeling to be able to lend a helping hand. "And it makes me feel good to know," he says, "that my own policyholders—or members of my own family—will receive similar service and consideration from other Hartford Agents if they should ever need it."

Values to Agents

Beyond these benefits, of course, are the material rewards that come from affiliation with an organization the public knows and trusts.

Many prospective insurance buyers search out their local Hartford Group Agent of their own accord... and a large percentage of Hartford policyholders who move to new locations are put in touch with the local Hartford Group Agent through Hartford's unique account transfer plan known as the "Risk Exchange Club."

One way or another, someone will be looking you up when you're a Hartford Group Agent!

Year in and year out you'll do well with the

HARTFORD
Fire Insurance Company
GROUP

Hartford Fire Insurance Company
Hartford Accident and Indemnity Company
Hartford Live Stock Insurance Company
Citizens Insurance Company of New Jersey, Hartford 15, Connecticut
New York Underwriters Insurance Company, New York 38, New York
Twin City Fire Insurance Company, Minneapolis 2, Minnesota



Audits for Casualty
and Inland Marine Carriers

K. L. PEARCE COMPANY
PAYROLL AUDIT SERVICE

PAYROLL AUDIT SERVICE—has the ability and get-up to get the job done adequately.
PROMPT SERVICE—Payroll and other casualty audits by representative field auditors.

AGENCY CONTACT ALWAYS

HOME OFFICE: INSURANCE EXCHANGE Bldg.
DES MOINES, IOWA • Phone CH 3-8649, CH 3-8640
IOWA • MINNESOTA • DAKOTAS • NEBRASKA
MISSOURI • ILLINOIS • WISCONSIN • INDIANA
MICHIGAN • KANSAS • OKLAHOMA • COLORADO
NEW MEXICO

Nw National Increased Operating Gain In 1958

Northwestern National and Northwestern National Casualty on a consolidated basis had an underwriting loss of \$124,984 in 1958, but, after investment income, showed a gain from operations of \$1,873,078, which contrasts with \$802,206 in 1957.

Premiums totaled \$28,972,673, a 9.5% gain, and assets increased \$10.9 million to \$75,486,515.

Dividends to stockholders in 1958 were increased from \$2.25 to \$2.60 a share.

Bill Would Prohibit N. C. Insurers From Refusing Any Fire Or EC Coverage

A bill has been introduced in North Carolina that would compel fire insurers to write extended coverage in the beach areas which have been heavily hit by hurricanes in the past 10 years. The bill would prohibit any licensed fire company from refusing an application for fire, extended coverage or any other endorsement on property located in any county.

The bill was introduced by two senators from coastal areas.

Recently Commissioner Gold approved a 100% rate increase on EC for the beaches and doubled the mandatory windstorm deductible to \$100. He did this to persuade companies to return which had withdrawn from beach areas after catastrophic losses in hurricanes during 1954, 1955, and 1958.

W. Va. Compulsory Auto Killed In Committee

A bill to establish auto compulsory liability responsibility in West Virginia has been killed in the house judiciary committee. A bill to permit the divulging of an insurer's interest at a trial was also killed by the same committee.

Dabrow With Cincinnati

W. J. Dabrow, formerly in the field for Employers Liability and Massachusetts Bonding, has become state agent in northern Ohio for Cincinnati Ins. Co., with headquarters in Garfield Heights. Mr. Dabrow replaces C. L. Bent, who left the company to join the Turner agency in Springfield, O.

To Debate N. J. WC Law

A debate on whether New Jersey law adequately covers the employment hazards of atomic radiation will fea-

ture the first annual governor's conference on workmen's compensation at Newark Feb. 25-26.

Debaters will be Ashley St. Clair, Liberty Mutual, and Sol D. Kapelsohn, general counsel of the state CIO. Stephen Lorenz, supervising deputy director of the state workmen's compensation division, will moderate.

Cargo Thefts On Rise: 110 Daily In 1958

Thefts from salesmen's cars and from trucks are likely to increase in 1959, Jack Seide, president of Babaco Alarm Systems, declared in a talk to a combined group of fire, casualty and marine field clubs at Syracuse. The year will provide a real test for theft prevention procedures, he said.

Mr. Seide noted that the "theft leaders" in stolen cargoes in 1958 were clothing, appliances, tobacco, furs, jewelry, liquor, textiles and automotive equipment, food, and miscellaneous in that order. Cargo thefts totaled 3,500 in 1945, 12,000 in 1950 and 40,000, or 110 a day, in 1958.

Continuing unemployment, intensified competition with cost trimming and neglect of safety measures, and the ease with which unattended merchandise is stolen all contribute to the rising loss trend, Mr. Seide said. The theft toll on goods in transit without alarm protection runs as high as \$1 million a day. This block of goods must be brought under some effective prevention program to curb crime and to remove the added burden of thefts from insurance rates.

He noted an intensification of theft prevention activities since the turn of the year and said that if this is sustained, cargo thefts, which have increased ten fold in the past decade in many areas, can be reduced. A spotty program will merely shift crime from one area to another. A broad national program is the answer to the problem, he said.

Extension Of Marine War Risk Program Proposed

WASHINGTON—A bill to extend the government's marine war risk insurance program for an additional five years has been proposed by Rep. Bonner, chairman of the committee on merchant marine. The extension would be until Sept. 7, 1965.

Reese H. Harris Jr., executive vice-president of the Hanover Bank, New York City, has been elected a director of Yorkshire and of Seaboard F.&M. He is also a director of Niagara.

Shoup Sees Better A&S Underwriting, Coverage

National trends in A&S insurance seem to indicate better underwriting and a better product, Gail L. Shoup, Lincoln National Life, Grand Rapids, president of International Assn. of A&H Underwriters, told members of Chicago A&H Assn. at the February meeting.

Speaking at the luncheon sponsored by the women's division, Mr. Shoup said companies today are recruiting a better agent. Training and supervision of agents is superior to that in the past. Many states require license examinations of A&S agents, who are now able to take advantage of the increasing availability of DITC and LUTC A&S courses. The result is better field underwriting. In addition, companies are

offering better coverages with the trend toward co-insurance and longer loss of time periods.

He commented on coverage of senior citizens. Because this group presents the most claims, companies have the choice of cancelling at age 65, higher premiums at 65, higher premiums before 65 to build a reserve, or higher premiums before 65 and paid-up at that age.

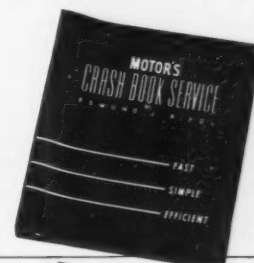
N. J. Bill Liberalizes WC

The New Jersey house has passed and sent to the senate a bill permitting employers and insurers to recognize the moral merits of a workmen's compensation claim where it is barred by the statute of limitations. Voluntary payments would be allowed on the same basis as medical, surgical and hospital treatment.

MOTOR'S CRASH BOOK SERVICE

all the information
you need to make fast,
accurate, appraisals of
auto collision damage.

1 SPEEDS ESTIMATING TIME. Estimates can be made or checked faster with Motor's easy-to-read, easy-to-use CRASH BOOK SERVICE MANUAL than with any other pricing system.



2 FREQUENT, PROMPT, UP-TO-DATE REVISION SERVICE on parts prices and flat rates make for more accurate, on-the-spot appraisals.



3 MAKES PARTS IDENTIFICATION EASY. Supplies the greatest available number of parts pictures, frame dimensions and major assemblies . . . plus complete information for identifying car models and body styles.



Write today, for full information — to:

MOTOR CRASH BOOK SERVICE

250 West 55th Street, New York 19, New York
PUBLISHED BY THE HEARST CORP.

REINSURANCE

Through Intermediaries Only

FIRE—CASUALTY

THE STUYVESANT INSURANCE COMPANY

Executive Offices
1105 Hamilton St., Allentown, Pa.
HEmlock 5-3541

Reinsurance Department
309 West Jackson Bldg., Chicago 6
WABash 2-7515

Editorial Comment

New Western-GAB Relationship

The election of Ben M. Butler, general manager of Western Adjustment, to the presidency of General Adjustment Bureau has revived speculation as to whether Western and GAB will merge. This is a subject which has been discussed many times over the years.

It is felt in some quarters that Mr. Butler's switch from the management of Western to the management of GAB will accomplish much of what is desired along this line. At Western Adjustment, Mr. Butler performed a remarkable administrative job. A great many changes in organization took place under his direction. Western's entire operation from the procedural handling of losses to the billing of the companies was streamlined, and great strides were taken in adjuster education.

Many of Mr. Butler's ideas of loss adjustment company administration certainly will carry over to GAB. He will want to repeat the successes of his experience in remodeling Western. This would, in effect, produce some of the most sought after benefits of an actual merger—uniformity of thinking and procedure.

With Mr. Butler in charge of GAB, there is bound to be a close understanding between the operating managements of Western and GAB. There is already a considerable overlapping on the boards of directors as to companies.

Those who look upon this move of Mr. Butler to GAB as one accomplishing many of the vital elements of a merger note that even if there were a merger it would not necessarily follow that Western Adjustment and GAB would use the same letterhead. The purpose of a merger would be, among other things, to eliminate rivalry between the managements of the organizations, if any exists; to make possible a transfer of adjusters in sufficient number to cope with catastrophe losses; to offer the member companies a uniformity of adjusting techniques and procedures, and to offer a large facility for adjuster training and education.

One thing that might also contribute to the absence of a formal unification is the fact that Underwriters Adjusting of Chicago, which serves substantially the same area as Western, is still in the picture, and there seems to be no move afoot to effect an Underwriters-Western merger. This would seem to be the logical first step in the setting up of a company-owned national adjusting organization, but talk of Underwriters and Western getting together is less convincingly and less frequently heard than that of a Western-GAB marriage.

In getting Mr. Butler to run General Adjustment Bureau, the companies seem to have accomplished a real coup for GAB and for the entire national company-sponsored adjusting system. —J.C.B.

The insurance school, which has had little response to the types of courses outlined above, reports that high enrollment for technical and more elementary studies often makes it necessary to divide the classes into sections to accommodate all comers. Registrations run as high as 90.

It would appear that the business is anxious to learn everything possible about the technical aspects of insurance, but is apathetic to "follow up" education aimed at developing the added skills which would enable it to use its information more effectively. Significantly, the courses which are reported to be neglected deal with areas in which the business is on the defensive—sales, human relations, communications, economy of operation, professional agency service, and exorbitant claims.—J.N.C.

Personals

Marion A. Woodbury, whose election as vice-president of Reinsurance Corp. of New York was reported last week, was with Chubb & Son from 1949 to 1957 at New York and Atlanta. He then joined Bankers F.&M. where he became executive vice-president and then president. He is the brother of Louie E. Woodbury Jr., Wilmington, N. C., immediate past president of National Assn. of Insurance Agents.



M. A. Woodbury

William E. Grubbs, the new Nebraska insurance director, is believed to be at the age of 32, the youngest insurance commissioner in the U.S. He succeeds **John Binning**, who had been the youngest in history. Mr. Binning has joined the Lincoln law firm of Crosby, Pansing & Guenzel. **Thomas R. Pansing** was Mr. Binning's predecessor as Nebraska director and is a member of the law firm and is also president of Nebraska National Life. Mr. Grubbs completed a four year high school course in three years and entered the University of Colorado at the age of 16. He was president of the student body there and was the only non-fraternity man to earn this distinction since 1941.



W. E. Grubbs

Elmer F. Reske, manager of Cook County Inspection Bureau, is recuperating at a Fond du Lac, Wis., hospital from a kidney stone attack.

William B. Maley, statistician of North America, celebrated his 50th anniversary with the company and was honored at a luncheon. John A. Die-mand, president, presented him with a silver plaque. Joining the company in 1909 as a part-time telephone operator, Mr. Maley later served as underwriting clerk, assistant chief accountant, cashier and bookkeeper. In 1928 he became head of the fire and auto statistical department and still heads the fire section.

Why Stay In The Kindergarten?

Only those who believe it pays to be ignorant need lack insurance education. Courses of every description are offered for classroom groups and by correspondence. Universities, agents' associations, companies, trade publications, insurance societies and similar groups provide curricula ranging from basic principles to courses designed for top level company administrative officers and for producers who aspire to professional performance.

Many in the business take advantage of educational opportunities to acquire or improve basic technical knowledge of policies and fundamental procedures. However, when one leading school offered a course in sales psychology in the evening, insurance people were apathetic and only two enrolled. Personnel from banks and industrial companies responded more eagerly, but the enrollment was not sufficient and the course was not given.

The same school offered a course in the principles and practices of human relations. Insurance people displayed little interest. A course in communications, written and oral, was offered twice, but lack of response caused the school to withdraw the class.

A comprehensive course in the general problems of running an insurance company was presented for high level administrators. This included consider-

ation of salary scales, capacity problems, dealing with producers, training and development of personnel, and many other facets of over-all insurer operation. To date, several assistant department heads represent the highest level of administrative enrollment from stock insurers. A few top officers of small mutuals signed up for the class.

Producers were invited to a course which included consideration of problems in servicing large and medium commercial risks, selling techniques, risk analysis, use of all markets, merit rating, use of deductibles, and consideration of modern trends in coverage. Few attended. Happily, a current re-offering of this course has drawn a representative number of registrants.

Only 12 insurance people were attracted to a class which studied anatomy, physiology and pathology in connection with defense of bodily injury claims. This class also taught how to interrogate witnesses, how to prepare briefs for trial, how to use X-rays to impress juries, how to argue persuasively, how to cross examine to qualify witnesses, and allied subjects. The latest offering of this course has drawn two registrants. Incidentally, National Assn. of Compensation Claimants Attorneys regularly gives a similar course for attorneys handling BI claims, with large enrollments.

The NATIONAL UNDERWRITER



The National
Weekly Newspaper of
Fire and Casualty Insurance

EDITORIAL OFFICE

17 John St., New York 38, N. Y.
Tel. BEekman 3-3958 TWX NY 1-3080
Executive Editor: Kenneth O. Force.
Associate Editor: John N. Cosgrove.
Assistant Editor: Sheldon Maycumber.

CHICAGO EDITORIAL OFFICE

175 W. Jackson Blvd., Chicago 4, Ill.
Tel. WAbash 2-3704 TWX CG 684
Managing Editor: John C. Burridge.
Assistant Editor: Richard G. Ebel.
William H. Faltyssek and R. R. Cuscaden.
Editorial Assistants: Marjorie Freed
(production) and Barbara Swisher.

ADVERTISING OFFICE

175 W. Jackson Blvd., Chicago 4, Ill.
Tel. WAbash 2-3704 TWXCG 684
Advertising Manager: Raymond J. O'Brien.

SUBSCRIPTION OFFICE

420 E. Fourth St., Cincinnati 2, Ohio.
Telephone Parkway 1-2140.

OFFICERS

John Z. Herschede, President.
Louis H. Martin, Vice-President.
Leslie A. Meek, Secretary.
420 E. Fourth St., Cincinnati 2, Ohio.
Telephone Parkway 1-2140.

SALES OFFICES

ATLANTA 3, GA.—333 Candler Bldg., Tel. Murray 8-7177. Fred Baker, Southeastern Manager.

BOSTON 19, MASS.—50 Federal St., Rm. 342. Tel. Liberty 2-9239. Roy H. Lang, Southern New England Manager and Dana L. Davis, Northern New England Manager.

CHICAGO 4, ILL.—175 W. Jackson Blvd., Tel. Wabash 2-3704. A. J. Wheeler, Chicago Manager. R. J. Wiegand and William D. O'Connell, Resident Managers.

CINCINNATI 2, OHIO—420 E. Fourth St., Tel. Parkway 1-2140. Chas. P. Woods, Sales Director. George C. Roeding, Associate Manager. Arthur W. Riggs, Statistician.

CLEVELAND 14, OHIO—1387 E. 6th St., Lincoln Bldg., Rm. 308, CH 1-3396. Paul Blesi, Resident Manager.

DALLAS 1, TEXAS—309 Employers Insurance Bldg., Tel. Riverside 7-1127. Alfred E. Cadis, Southwestern Manager.

DENVER 2, COLO.—234 Commonwealth Bldg., Tel. Amherst 6-2725. J. Robert Ebelhardt, Rocky Mountain Manager.

DES MOINES 9, IOWA—327 Insurance Exchange Bldg., Tel. Atlantic 2-5966. D. J. Stevenson, Resident Manager.

DETROIT 26, MICH.—613 Lafayette Bldg., Tel. Woodward 5-2305. William J. Gessing, Manager for Indiana and Michigan.

INDIANAPOLIS 20, IND.—5634 N. Rural St., Tel. Clifford 3-2276. William J. Gessing, Manager for Indiana and Michigan.

MINNEAPOLIS 2, MINN.—1038 Northwestern Bank Bldg., Tel. Federal 2-5417. Howard J. Meyer, Northwestern Manager.

NEW YORK 38, N. Y.—17 John St., Room 1401, Tel. Beekman 3-3958. J. T. Curtin and Clarence W. Hammel, New York Managers.

NEWARK 2, N. J.—10 Commerce Ct., Tel. Market 3-7019. John F. McCormick, Resident Manager.

PHILADELPHIA 9, PA.—123 S. Broad St., Room 1077, Tel. Pennypacker 8-3706. Robert I. Zoll, Middle Atlantic Manager.

ST. LOUIS 2, MO.—321 Pierce Bldg., Tel. Chestnut 1-1634. Geo. E. Wohlgenuth, Resident Manager.

SAN FRANCISCO 4, CAL.—582 Market St., Tel. Exbrook 2-3054. Robert L. McMullen, Pacific Coast Manager.

CHANGE OF ADDRESS

Be sure to enclose mailing wrapper with new address. Allow three weeks for completion of the change. Send to subscription office, 420 E. Fourth St., Cincinnati 2, Ohio.

Deaths

WAYNE A. SEAVER, 68, retired executive vice-president of Agricultural, died at his home in Watertown after a long illness. He had been with the company 51 years before his retirement in 1957.

LEWIS O. PATTERSON, assistant secretary and manager of the glass department of Shelby Mutual, died. He had headed the glass department for 22 years.

HARRY B. GORDON, 75, senior partner of the Gordon-Barnett agency of Chicago, died at Miami. He had been in the business 32 years.

WILLIAM J. TULLY, 84, chairman of Starkweather & Shepley, Providence agency, died in the Jane Brown Hospital there after a short illness. He joined Starkweather & Shepley as a clerk in 1897. He subsequently served as inspector, claims handler and secretary of the casualty department. He became a vice-president in 1926, vice-president and treasurer in 1930, and president in 1943. He was made chairman in 1958.

EDWIN R. KYLE, agent at Cleveland, died at suburban Bay Village.

MRS. LAURA A. WILBER, 73, agent at Flint, Mich., died there.

BOYD C. MOSS, 60, claim superintendent of General Mutual of Alabama, died unexpectedly at Birmingham.

WALTER N. COLLINS, 56, New England manager of Rough Notes Co., died at West Newton, Mass., of pneumonia. He had been with Rough Notes as New England manager since 1947.

A. KENNETH WHITE, 59, fire underwriting manager of the B. L. Udell general agency of Phoenix, died of a heart attack. He was born in England and served his apprenticeship in London fire offices. As a young man he went to Vancouver, then to San Francisco where he was in the business 28 years. He joined the Udell general agency in 1955.

Stocks

By H. W. Cornelius, Bacon, Whipple & Co.
135 S. LaSalle St., Chicago, February 17, 1959

	Bid	Asked
Aetna Casualty	188	193
Aetna Fire	77½	79
Aetna Life	238	243
American Equitable	38	39½
American (N. J.)	29	30
American Motorists	17½	18½
American Surety	21	22
Boston	35	36
Continental Casualty	113	115
Crum & Forster	72	76
Federal	59½	61
Fireman's Fund	61	62½
General Reins.	72	74
Glens Falls	37	38½
Great American Fire	43	44½
Hartford Fire	180	195
Hanover Fire	41	42
Home of N. Y.	53	54
Ins. Co. of No. America	136	140
Jersey Ins.	39	40½
Maryland Casualty	41	42½
Mass. Bonding	36	38
National Fire	115	120
National Union	42	43½
New Amsterdam Cas.	49½	51½
New Hampshire	47	49
North River	42½	44
Ohio Casualty	25½	Bid
Phoenix, Conn.	78½	80
Prov. Wash.	21½	22½
Reins. Corp. of N. Y.	17	18
Reliance	50	52
St. Paul F. & M.	60	62
Springfield-Monarch	34½	35½
Standard Accident	59	61
Travelers	89	91
U. S. F. & G.	88	90
U. S. Fire	31	32

Rocky Mountain Handbook Published

A new Underwriters Handbook of the Rocky Mountain states, including Colorado, Idaho, Montana, New Mexico, Utah and Wyoming, has just been published by the National Underwriter Company. It provides complete and up-to-date information on the agencies, companies, field men, general agents, groups and other organizations affiliated with insurance throughout these states. Copies of the new Rocky Mountain book may be obtained from the National Underwriter Company at 420 East Fourth Street, Cincinnati 2, Ohio. Price \$12.50 each.

BenJack Cage Misses Out On His Bribery Trial

BenJack Cage did not show up when his trial was called at Austin on charges of bribing two former chairmen of the Texas Board of Insurance Commissioners. A warrant was issued at Austin for Mr. Cage's arrest, and bond totaling \$5,000 on the two charges were ordered forfeited.

Mr. Cage is in Brazil. He has said several times to newspaper men that he would return to Texas as soon as he has finished his business in South America.

Mr. Cage was the promoter of the bankrupt ICT Ins. Co. of Dallas and was connected with 70 other business deals. He has been convicted of embezzling \$100,000 from ICT, and a 10-year sentence he was given on this charge has been upheld by the court of criminal appeals, but that court is now considering a second motion for rehearing.

25% Cash—75% IOUs

In another entanglement, Mr. Cage is recorded as the purchaser of \$2 million worth of bonds issued by West Buchel, Ky., a little real estate operation near Louisville. The bonds were purchased for 25% cash and 75% IOUs on which Mr. Cage never even made the first interest payment.

It is now being held that the bonds were illegally issued, and some of the insurance companies subsequently obtaining them are suing some of those connected with the bond promotion. One insurance company, Texas Continental, paid \$101,709 to purchase \$100,000 worth of these bonds from Jack Cage & Co. of Dallas.

Other West Buchel bonds turned up as statutory deposits of insurance companies with one or two states.

BenJack Cage's original promotion was to have the Texas Federation of Labor invest in ICT and develop a huge labor-sponsored insurance company selling personal insurance to labor union members and business insurance to companies with a heavy labor union employment. The idea never took hold, and although ICT for a while was spectacular in its premium writings, the company had to retrench drastically and finally blew up. Texts Federation of Labor lost its money.

Springer Leaves Pa. State Posts To Join Blue Cross

Edward L. Springer, general counsel of the Pennsylvania department, has been named vice-president and counsel of Hospital Service Assn. of Western Pennsylvania. He will also resume private law practice in Pittsburgh.



RESULTS

Make the Difference

Company or producer . . . you don't get medals for good service. But you do get more business.

That's why Geo. F. Brown & Sons is one of the largest Excess & Surplus lines facilities in America. That's why — when you add our service to your service — you can do more business.

Next time you have a special risk, get something special . . . something different in service with . . .

GEO. F. BROWN & SONS, INC.

175 West Jackson Boulevard • Chicago 4 • WABash 2-4280
116 John Street • New York 38 • WOrth 4-0745



Munich

REINSURANCE COMPANY

UNITED STATES BRANCH

MULTIPLE

LINE

REINSURANCE

Executive Office

70 Pine Street, New York 5, New York

Telephone BOwling Green 9-5532

Southern and Facultative Department:

121 Peachtree Street, N.E., Atlanta 9, Georgia

Telephone TRinity 5-8969

XUM

Twatts Gives Buyers Position Of National Rating Bureaus

The structure and function of national rating bureaus were discussed by Elmer A. Twatts, assistant secretary of National Bureau of Casualty Underwriters, at a meeting of Greater Cincinnati Insurance Buyers.

The uniformity in forms, rules and rate making procedures for affiliated companies that results from the operation of National Bureau "is important to the insuring public," he said. "This produces substantial operating savings to the companies, which in turn are reflected in lower rates to the public. It permits the handling of interstate business, which has grown tremendously in recent years, in a convenient and consistent manner."

"Observance of the same rate making principles in the states is of advantage to supervisory authorities as well as to the companies and the insuring public," he said.

Through countrywide bureau operations it is clearly evident that the rate requirements in each state will be measured by a common set of standards. This gives assurance that there is no unfair discrimination between states in the proposals submitted by the bureau for approval.

Without Bureaus, Insolvencies

If there were no rating organizations to pool experience data for determining so-called tariff rates, he said, most companies would have no sound basis for determining the rates they should charge individually for the many coverages and qualifications necessary in rating casualty insurance. The result would inevitably be a host of insolvencies, primarily among the smaller and medium sized companies, he declared. This would be a tragic development for policyholders and claimants—and would result with or without regulation, for regulation in itself cannot produce stability and order where there is no foundation for them.

The public interest is better served by companies that are financially strong, and a sound rate structure is the foundation for solvency and growth, he declared. Rating bureaus are necessary to produce a sound rate structure under which there will be aggressive competition between companies, as is amply demonstrated under the present system.

He observed that the expense allowance in manual rates is geared to average needs, but the statutes contain adequate provisions for individual insurers to get approval of departures from manual where warranted by different methods of operation. What each company pays for the acquisition of business is strictly a matter of private contract between the company and its agents, he said. The bureau has no control over that amount.

Standard Policy Program

Since 1933, he observed, National Bureau and Mutual Insurance Rating Bureau have worked together on a program of standardizing policy phraseology. Standard policy provisions now are in effect for members and subscribers on automobile, comprehensive liability, glass, boiler and machinery and for certain other liability and burglary policy forms. This standardization is of considerable value to the public as well as to the companies and supervisory authorities. It has led to broader coverage, it has avoided fine print situations, and

it has served the need for a common coverage basis in order to combine experience. All National Bureau standard provisions policies and endorsements are available to any company, whether an affiliated insurer or not.

One problem faced by the bureau is the expense of making a rule or rate revision. He said there are some 225,000 holders of the automobile manual and 195,000 holders of the general liability manual. A countrywide reprint involving 100 pages requires the use of tons of paper and very careful timing to assure receipt of pages by the effective date of the revision.

Glens Falls' West Coast Shift Report In Error

In the Feb. 6 issue it was reported that Glens Falls has transferred Laurance G. Doyle, secretary, from New York to San Francisco to assume supervision of the Pacific Coast department April 1, replacing James S. Hurry, vice-president, who would retire then. Mr. Doyle has gone to San Francisco but will not replace Mr. Hurry until April 1, 1960, the correct date of the latter's retirement.

Women Set Region III Meet

Region III of National Assn. of Insurance Women will hold its annual conference at the Wade Hampton Hotel, Columbia, S. C., March 20-22. More than 300 are expected to attend. Commissioner Davis of Mississippi and the president of the association, Miss Alice L. Anderson of Kansas City, will be on the program. Mrs. Betty B. Hirst of Seibels, Bruce & Co., Columbia, is chairman of the conference.

Robert B. Hunt has joined Crocker Claim Service of Omaha at the Grand Island office. He has for eight years been with Western Adjustment.

Industrial Loss Of Hearing Becomes OD In Missouri

ST. LOUIS—Loss of hearing arising from industrial noise has been placed by court decision under the occupational diseases act. A case decided by the Missouri supreme court Jan. 12 holds that occupational diseases are not limited to those caused by chemicals and substances specifically mentioned in the statutes.

In the case in question, the employee was a welder fabricating trailer truck tanks. The employee ordinarily worked inside the tanks almost all day, while two to four men would be working on the outside of the tank, hammering

continuously. Other tanks were worked on within six feet of the employee bringing suit, and grinders and polishers making a high-pitched noise also were used in the vicinity.

The employer furnished earplugs, but employees did not use them because they could not talk to each other or hear shouted warnings while wearing them.

The supreme court reversed an earlier decision in the same case by the Kansas City court of appeals which ruled that loss of hearing caused by industrial noise was not an occupational disease under the Missouri act.

Harford Mutual of Bel Air, Md., has elected George F. Albright, agency vice-president of Life of Virginia, a director.



Company-Producer teamwork that's geared to serve America's industry

ARGONAUT INSURANCE

Home Office: Menlo Park, California

WORKMEN'S COMPENSATION • LIABILITY • AUTOMOBILE • GROUP ACCIDENT & SICKNESS • MAJOR MEDICAL

BOSTON'S Modern Local "Home Office" Organization was planned for AGENTS LOOKING AHEAD

Youthful, progressive management of Boston Insurance Group's organization assures local independent Insurance Agents of cooperative, energetic support in achieving their growth goals. Decentralized "Home Offices" are strategically located, and staffed and authorized to render all decisions affecting Agents and their clients.

If you seek greater development opportunities, you can rely on Boston's alert modern organization... efficient sales program... complete portfolio of coverages (Fire, Inland Marine, Ocean Marine, Casualty, Surety and related coverages)... close liaison and fast claims service... and established reputation in the finest New England tradition to help you realize these opportunities faster.



BOSTON INSURANCE GROUP

BOSTON INSURANCE COMPANY
OLD COLONY INSURANCE COMPANY
BOSTON INDEMNITY INSURANCE COMPANY

87 KILBY STREET
BOSTON 2, MASSACHUSETTS

EQUITABLE FIRE INSURANCE COMPANY • CHARLESTON, SOUTH CAROLINA

★ Regional Office
● Managing General Agency
■ Principal Branch or Service Office



Reviews Limitations, Proper Uses of Self Insurance Plans

(CONTINUED FROM PAGE 17)

business. He is responsible for controlling risk costs so that they do not exceed the limits of the budget.

Risk costs under a program of self insurance would include premiums for catastrophe insurance and, self insurance bonds, the expense of loss prevention engineering, loss adjustment and legal, the management expense of the self insurance plan, loss of tax deduction of former insurance premiums and uninsured losses sustained or paid.

Warns Of Shock Loss

In addition to considering these costs, the proposed self insurer must be certain that the firm's financial condition will at all times have the capacity to absorb a possible shock loss without impairing working capital.

Only when the proposed self insurer is prepared to provide all the services that would otherwise be performed by an insurer is it in a position to undertake a program of self insurance, Mr. Theobald declared. Even then it is not always possible to economically manage a self insurance program.

Small firms are not usually in a position to consider self insurance or even the use of large deductibles, he believes. Their working capital position is usually limited to such an extent that one catastrophe loss could bankrupt the business. In addition, they generally do not have a staff qualified to administer a program of either type.

However, medium sized businesses with a payroll that generates sufficient premium volume may use certain forms of self insurance to cover the liability and compensation risks, he said. One is excess of loss, commonly purchased to cover liability. Under this, the insured would self insure the first \$10,000 of BI and PDL and then purchase an excess of loss policy to cover from \$10,000 up to \$1 million or more. Insured would then arrange for outside safety engineering services and retain a law firm for claims service, or furnish its own. Under either arrangement, insured may exercise direct control over the payment of claims.

Aggregate Excess Policy

One way of covering the workmen's compensation risk is by the purchase of an aggregate excess policy. This is midway between the full self insured program and the fully insured program at standard premium rates. To use this policy insured must qualify as a self insurer, usually done by posting a bond and proving financial ability to discharge the WC obligation. Then insured arranges for outside claim and safety engineering services.

For example, insured with an estimated standard WC premium of \$100,000 would purchase an aggregate excess policy from Lloyds. The cost, including outside claim and safety engineering services, would amount to \$25,000. The balance of \$75,000 of the standard premium is then set up in a funded self insurance reserve to pay losses and loss expense including cost of administering the plan. As losses occur, payments are made out of this fund until the \$75,000 is exhausted, after which the aggregate excess policy pays all losses up to the policy limit. This policy is usually purchased in one or more layers. The first layer might be \$100,000 in excess of the \$75,000, with as many additional layers as insured elects. If insured has a normal loss ratio of about 60, this plan would result in a savings of 15 or 15,-

000 over the purchase of the standard WC policy.

A serious fault of this plan, Mr. Theobald said, is that the liability of the insurer is limited to a specific dollar amount. This is not the case with standard WC insurance, which has no limit. If insured sustains several large WC claims it is quite possible under the aggregate excess policy the limit of liability could be reached. At that time insured would become a primary self insurer. Also to be remembered is the fact that these policies contain a commutation clause which requires that all claims outstanding at the end of a two year period be adjusted on the basis of total anticipated costs.

A Problem Of Computation

This presents the problem of computing future medical payments as well as WC payments for the life expectancy of the injured employee, particularly when the claim is for total permanent disability. If a lump sum settlement is not made or not accepted by the employee, the employer may be confronted with a tax problem when it comes to setting up this money in a reserve fund from which payments are to be made to the injured employee. Payment to the employer of this money may be considered by Internal Revenue Service as current income to the business.

Retrospective rating plans may also be used to cover liability and WC risks. These plans with their loss limitation factor and specified maximum premium offer, in effect, a type of aggregate deductible.

Liability and WC claims must be adjusted whether insured or not, while physical damage losses do not require adjustment if no insurance claim is to be made. State statutes require the settlement of WC claims, he noted. Liability claims must be defended at law, or settled out of court. However, if uninsured physical damage losses are used as an income tax deduction, they must be substantiated.

Discusses Chubb & Son Plan

In the field of physical damage coverage the Chubb & Son plan is an example of one type of deductible. It utilizes the standard fire policy and endorsements such as extended coverage and vandalism and malicious mischief. It is effected by attaching a deductible endorsement which specifies the policy limit and the amount of the deductible, as well as the original rate, the percentage credit for the deductible, and the net rate.

Mr. Theobald presented two examples of the Chubb plan. If the deductible is \$5,000, amount of insurance \$50,000, the percentage of deductible is 10, and the rate credit is 22%. For a \$5,000 deductible with \$14,285 of insurance, a ratio of 35, the rate credit is 43%.

It is doubtful whether the \$5,000 deductible would ever be recommended to insured with only \$19,285 in values, he said, in spite of the 43% rate credit. Few insured in this class are in a position to absorb a \$5,000 loss out of current earnings or pay for it out of a funded reserve. Then, too, it is always possible that there might be more than one loss above the deductible in a year.

The use of large deductibles or excess of loss forms for physical damage coverage avoids insuring the maintenance type of loss at a 50% disadvantage, he said. Under these plans insured and insurer are spared the

expense of adjusting numerous small losses. Even though small losses are not adjusted, insured does incur some administrative expense in connection with them. A definite disadvantage of having a large deductible apply to each loss is that it may result in extreme fluctuation in loss costs from year to year, particularly when there is more than one serious loss in a year.

A solution to this disadvantage might be an aggregate deductible. But to develop the aggregate it is necessary to adjust each loss during the

Set Card For Annual Midwest Territorial, Okla. Agents Meeting

The program has been announced for the annual Midwest Territorial Conference and 50th annual convention of Oklahoma Assn. of Insurance Agents, to be held at the Skirvin Hotel, Oklahoma City, April 5-7.

There will be a Midwest Conference farm subcommittee meeting at 9 a.m. on Sunday, with registration beginning later that day at 1 p.m. Meeting simultaneously at 2 o'clock will be the farm subcommittee and Farm Underwriters Assn. and the executive committee of the Oklahoma association, and at 3:00 there will be a business meeting of state association managers and secretaries.

The reception honoring Midwest Territorial Conference officers, Oklahoma association past presidents and executive committee will be held at 5:30, and three dinners will begin at 7:00—one for Oklahoma association past presidents and wives, one for state secretaries and wives (courtesy Western Underwriters Assn.), and the other for officers, official conference delegates, alternates and wives.

Jones To Address Conference

Paul V. Jones, vice-president and chairman executive committee National Assn. of Insurance Agents, will address the opening conference session on Monday at 9:30. H. T. Moran, chairman Midwest Territorial Conference, will preside and greetings will be given by Gov. Edmondson, Commissioner Hunt, Harlan S. Pinkerton, president of the Oklahoma association; and Leland Booth, president Oklahoma City association. A resolutions committee will also be appointed at this session.

The future progress committee of Midwest Territorial Conference will hold a luncheon at 12:15, and the afternoon meetings will begin at 1:30 with an address by Frank W. Boyles, deputy U. S. manager Employers' Liability, on "Where Do We Go From Here?" Inspector C. G. Conner of Texas department of public safety will discuss "Whose Business Is Traffic Safety?" and Welcome D. Pierson, vice-chairman section of insurance negligence American Bar Assn., will speak on "The Defence Cannot Rest." That night "Insurance Women's Club of Oklahoma City will present a 'spectacular' 'Carbon Capers of 1939.'"

Getting the final day off to an early start will be the rural and small lines breakfast at 8:00. The first conference session begins at 10:00 and includes a panel on current problems of agents, with Mr. Pinkerton presiding, and a report of Midwest Fire Conference committee, by Robert M. Byrne, chairman.

policy period. Since insured may not know until the last day of the policy period whether the aggregate deductible will come into play, and because the insurance adjuster would resist attempting to adjust losses several months after they occur, the expense of adjusting small losses is not avoided.

Suggests A Solution

A suggested solution would be to use a franchise aggregate deductible, he said. The policy may, for example, provide an annual aggregate deductible of \$100,000 with only losses above \$10,000 considered for developing the aggregate. In effect, this would be a \$100,000 aggregate deductible with a \$10,000 franchise used to build up the aggregate.

Mr. Theobald then presented several examples. He noted that assumed maximum losses are not sound assumptions. Any loss may exceed the stated maximum. Past experience is only an indication, not a guarantee.

He suggested the possibility of using an all risk physical damage and criminal loss policy with an aggregate deductible. This would result in a slightly higher minimum and average costs, but would have a guaranteed maximum cost. This solution would also permit insurers to replace, in part, premium lost through deductibles by including perils previously uninsured.

Not All "Self Insurance"

Deductible insurance is self insurance only to the extent of the deductible, he observed. The buyer assumes the position of the underwriter when he decides on the amount of the deductible. This decision should be made only after carefully considering premium savings, distribution, and amount at risk. The contract limit of liability should be sufficient to cover the largest anticipated single loss, even though it may not equal the entire value at risk.

It is questionable whether a large deductible should be used on property that has a low fire rate, such as 3½ cents, because the dollar amount of premium savings would be negligible. Deductibles provide a balance between an illogical program of self insuring all losses regardless of amount and the expensive program of trying to insure fully all losses, including those which are comparatively inconsequential.

If retained earnings are used to build up a self insurance contingency reserve, and the business is a corporation in the 52% tax bracket, it will take two dollars of earnings (provided there are earnings) for each dollar (after taxes) that is put into the reserve. When losses do occur they can usually be offset against income if the reserve is not adequate to absorb the entire loss.

Reserve Should Be Funded

In order for the reserve to function as intended it should be funded, with the funds so invested that the cash will be available when needed, he said. Short term government bonds or notes appear to be one of the best mediums of investment for this purpose. This fund should be held inviolate and not used for any other corporate purpose, however urgent or justified the need.

The proportion that a contingency reserve may assume is limited and must be justified to the tax authorities in order to avoid being penalized for unlawful accumulation of reserves with the resulting confiscatory tax on accumulated earnings, he said. On the other hand, if insurance is used to provide protection against contingencies, the premiums are deductible for in-

come tax purposes, provided they meet the test as an ordinary and necessary business expense.

Because of the tax limitations on reserve accumulation, a serious loss could arise of the magnitude that it could not be covered by the self insurance contingency reserve, plus current income, and the business may not be able to take advantage of the full tax benefit—even with the loss carry-over provisions of the tax code.

Mr. Theobald declared that not all businesses are in a position to undertake a program of self insurance or one embodying the use of large deductibles since each program must be carefully underwritten to insure its success.

Mutual Casualty Men Set Conference Date

The annual underwriting conference on automobile and general casualty of Conference of Mutual Casualty Companies will be held at the Conrad Hilton Hotel, Chicago, March 12-13.

O. C. Griffith, Shelby Mutual, will give the opening address, "The Underwriter's Environment," Thursday morning. This will be followed by simultaneous sessions of the automobile and general casualty underwriting programs, the former including "Correcting Unprofitable Agents" by J. W. Barnett, Nationwide Mutual, and "Correcting Unprofitable Underwriters" by Robert L. Bagley, State Farm Mutual Auto; and the latter, "Completed Operations" by W. O. Miller, Michigan Mutual Liability, and "The Continuous Liability Policy and Its Potential with the Electronic Computers" by Owen Murray, Citizens Mutual Automobile.

Two Groups In Afternoon

That afternoon the two groups will continue, the auto section being led off with "The All-Industry Approach to the Irresponsible Motorist" by James C. O'Connor, executive editor Fire, Casualty & Surety Bulletins, followed by "A Claimsman Looks at Underwriting" Howard B. Lang, M.F.A. Mutual, and "A Salesman Looks at Underwriting," Ralph E. Zangmaster, Motorists Mutual.

The general casualty section will hear "Workmen's Compensation—Better Understanding Through Bureau Services" by V. G. Lowe Jr., general manager Minnesota Compensation Rating Bureau, and "Liability Insurance on the Atomic Risk," J. P. Gibson Jr., American Mutual Re.

Henderson To Speak

Friday morning the automobile unit will hear William P. Henderson, president Henderson Tire Co., Detroit, discuss "Overlooked (Opportunities or Obligations) of the Automobile Underwriter" and R. E. Seeds of Nationwide Mutual "Long-Range Effect of Compulsory on Auto Underwriting." The casualty unit will hold a panel on problems with package personal liability policies. Participants will be Knox Kling of Allied Mutual Casualty, William H. Hunsicker, Harleysville Mutual, and A. Leonard Milstead Equity Mutual.

Also Friday morning there will be a combined session on "New Legislation—The Underwriting Effect" by Arthur C. Mertz, general counsel National Assn. of Independent Insurers.

Chairman of the automobile program committee is Donald E. Johnson of Nationwide Mutual, and Richard Kosht of Auto-Owners holds a like post on the general casualty program committee.

Trinity Universal Premiums Up 17%, Three V-Ps Elected

Written premiums of Trinity Universal increased nearly 17% in 1958 to a total of \$27,470,393. Combined investment income and capital gains totaled \$1,290,115, an increase of \$332,091.

Consolidated assets of Trinity Universal and its wholly-owned subsidiary, Security National, were \$45,351,654, a gain of \$7.4 million.

The companies had an unearned premium reserve of \$22,838,629, up \$3.4 million. Trinity Universal increased its surplus by more than \$3 million to a Dec. 31 total of \$14,022,792.

Three new vice-presidents have been elected—W. O. Daniel, A. J. Tyler Jr., and W. T. Wisener.

Daniel Was Secretary

Mr. Daniel, who has been with the company 31 years, was advanced from secretary and will continue as office manager and supervising underwriter.

Mr. Tyler has been agency supervisor and will continue to direct agency operations. He joined Trinity Universal in 1940 and became agency supervisor in 1953.

Mr. Wisener, who has been personnel manager, joined the company in 1950. He will continue in charge of the personnel department.

Sayre & Toso Absorbs Ins. Facilities Of Mo.

The business and operations of Insurance Facilities Corp. of Missouri are being absorbed by Sayre & Toso-W.B. Brandt & Co., with headquarters in San Francisco. The operation covers business in Missouri, Kansas, Oklahoma, Nebraska and Iowa.

The change follows the formation early last year of a holding company under the management of Sayre & Toso-W. B. Brandt & Co. to administer the nationwide affairs of Sayre & Toso-W. B. Brandt & Co., Holland-America Insurance Facilities Corp. of Missouri, Insurance Facilities Corp. of Illinois, Insureds Facilities Corp. of New York, Seven Provinces of The Hague, and International Adjustment Service.

C. W. Frost has been named acting manager of the Kansas City office of Sayre & Toso-W. B. Brandt & Co. He has been with Insurance Facilities Corp. of Missouri for two years and previously was with C. G. Blakley & Co. agency of Topeka.

Continental Casualty Names B. F. Harris V-P

Burton F. Harris has been appointed assistant vice-president in the fidelity and surety department of Continental Casualty. He has been resident vice-president at Seattle.

Mr. Harris joined Continental Casualty in 1939 and served in various departments at the home office before going to Seattle as manager in 1956.

Phoenix Of London Appoints Cardillo In N. Y. Field

Phoenix of London has appointed Ralph C. Cardillo state agent for eastern New York, with headquarters at Albany. He was previously special agent in northern New Jersey. Prior to joining Phoenix he had underwriting and field experience in New Jersey with General Accident and American.

Multiple

Line

Reinsurance



Traditional Home
of
World Wide Service
ARNE FOUGNER
president

Overlooking the Historic Tappan Zee

CHRISTIANIA GENERAL
INSURANCE CORP. of New York

102 WHITE PLAINS ROAD
TARRYTOWN, N. Y.

ALWAYS READY,
ABLE
EXPERIENCED



SCOTT
WETZEL CO.

UTAH-IDAHO

INSURANCE ADJUSTERS

SALT LAKE CITY
428 So. Main
DAVIS 2-2541

OGDEN, UTAH
515 Eccles Bldg.
EXport 2-8911

POCATELLO, IDAHO
119 North Main
Phone CEdar 3-2762
CEdar 3-2763

IDAHO FALLS, IDAHO
258 Broadway
JACKSON 2-3431

TWIN FALLS, IDAHO
121-2nd Ave. East
REDwood 3-4576

REINSURANCE



INTERMEDIARIES

STERLING
OFFICES LIMITED

116 JOHN STREET, NEW YORK 38, N.Y.

LONDON • PARIS • SYDNEY • TORONTO
VANCOUVER • MONTREAL • SAN FRANCISCO • MEXICO CITY



Ambassador for YOUR Important Risks

Today's strongest sales weapon is competence. It is the ability to provide an imaginative and resourceful brand of service, unchallenged by other marketing concepts or selling techniques.

But to maintain this high level of insurance statesmanship requires 'behind-the-scenes' sales support—the kind any producer can depend upon to complement his efforts, reflect the good judgment of long range decisions.

Bowes & Company makes possible through its unusually broad facilities in the special risk field, a logical market for important risks. Its qualified staff, extensive knowledge of markets and conditions and its ability to expedite matters effectively, provides a standard of excellence without equal. We welcome your inquiry.



135 SOUTH LA SALLE STREET • CHICAGO 3 • ILLINOIS
99 JOHN STREET • NEW YORK 7 • NEW YORK

PIONEERS IN
MULTIPLE LINE UNDERWRITING

**TRINITY
UNIVERSAL
INSURANCE
COMPANY**



DALLAS, TEXAS

EDWARD T. HARRISON, Chairman
GORDON S. YEARGAN, President

Results Of Family Compensation Coverage

(CONTINUED FROM PAGE 4)

be compensated? Why pay the drunk who runs into another automobile or otherwise injures himself? Mr. Thornbury observed that the drunk now is being paid for his property damage under his collision coverage, which, of course, is a payment made without fault and long has been recognized as a proper coverage under an automobile policy. Also, he is receiving medical payments under that coverage, also paid irrespective of fault. Beyond that, for every accident caused by a drunk, there are thousands of accidents involving non-drunks. In such cases there are innocent victims, such as wives and children. If insurers do not recognize their losses as social problems, someone else will. Eventually, many such victims turn to social and welfare agencies for relief and help. This in turn brings pressure on public officials to do something. This burden in the industrial field largely has been transferred to workmen's compensation. The basic philosophy of this coverage is that injured persons have the alternative of receiving some financial aid in return for a release of insured's possible liability. With family compensation the matter can be handled through private insurance rather than social and welfare agencies or by a compulsory compensation system.

Believe All Are Compensated

Most people favor compulsory automobile insurance because they believe such laws will provide that all motorists injured and all accident victims will be compensated, Mr. Thornbury said. The compulsory insuring of all motorists for liability insurance and settling claims under the laws of negligence leaves many victims uncompensated. The need still exists for compensating these victims. If the insurance business does not voluntarily find a way to do this, the public will ask the government to provide this type of insurance.

The mere fact that the injured victim may elect to take payment under the schedule or proceed under the law of negligence is not going to lead to the destruction of the practice of law in the automobile tort field, he declared. The legal profession should benefit from the coverage. Experience indicates that the coverage tends to eliminate the non-profitable type of claim, which takes just as much time and effort for the lawyer to handle as the serious claim where considerable funds are at stake. The coverage is not designed to take care of the case with severe injuries resulting from liability, but rather the large majority of cases with limited injuries and questionable liability. However, he conceded, the coverage could affect the income of some lawyers who specialize in building up non-existent or minor injuries into claims which result in settlements or verdicts.

Will Not Leave Out A&S Agent

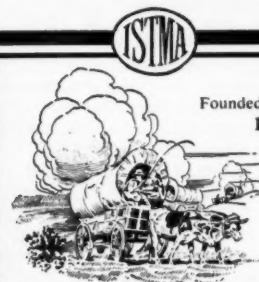
Will the coverage eliminate A&S written by an A&S agent rather than by the automobile agent? No more than the regular medical payment coverage does, he said. Many companies write accident coverage as an endorsement to automobile policies. "We make the coverage a part of the policy itself in a third policy form. It would appear that the result in general is the same under either procedure."

Is the cover socialistic? What is more socialistic than the assumption

of medical and hospital bills by governmental agencies as now happens in the case of many accident victims? It is only another step for the government to take over completely.

The real threat to the negligence system arises from faulty administration in three areas: Excessive verdicts in otherwise meritorious cases; build-up of non-existent or minor injuries into claims which result in settlements or verdicts of usually \$250 to \$1,500; and congested court dockets and the time lag in getting cases to trial.

As to excessive verdicts, Mr. Thornbury said his organization firmly be-



Founded in
1880

STABILITY

IOWA STATE TRAVELERS is the original traveling men's accident insurance organization and the oldest association of its kind in the world. Now in its seventy-ninth year (having been founded in 1880) and with more than 95,000 contracts in force, it still furnishes its members with the same sound and sensible accident protection as always and . . . as always . . . at very low cost.

Iowa State Travelers
MUTUAL ASSOCIATION
DUTTON STAHL, President
DES MOINES
FORMERLY IOWA STATE TRAVELING
MENS ASSOCIATION



The Pioneer Organization

**COATS &
BURCHARD
COMPANY**

APPRAISERS

4413 Ravenswood Avenue
Chicago 40, Illinois

- Appraisals for Correct Insurance Coverage and Proof of Loss
- Depreciation Studies
- Property Ledgers

lieves in the jury system. If facts are properly presented by lawyers on both sides and the court properly instructs on the law, the jury in practically all cases arrives at a fair and just verdict. He noted that use of demonstrative evidence may put undue weight on facts, even to the extent of arousing passion and prejudice on the part of the jury. Jurors should weigh the facts. They are capable of properly doing so. Actually, he noted, the frequency of excessive verdicts is very small, and considered by themselves, probably would not greatly affect loss costs. The publicity given to such verdicts, however, results in a gradual rise in the level of settlements. It is a constant battle for a claims manager to prevent fear of high verdicts from inflating the value of liability claims, not only in his own mind but also in the mind of the field adjuster.

Answer To High Verdict

What is the answer to the high verdict? More thought should be given as to what is best for the claimant, from the standpoint of the amount of money he actually needs to give him maximum benefits. Money is worth only what it will do for the injured person. Seriously disabled persons, such as paraplegics and amputees, can, through rehabilitation and the use of prosthetic devices, be restored to a useful life. Perhaps the emphasis should be on how much money, if properly invested, is necessary to restore the claimant to the highest degree of recovery rather than on only the amount of the award. What about an insurance policy for cases of uncertain future medical and surgical care?

The build-up case, because of the high frequency, is a far more serious threat to the negligence system than jumbo verdicts, he believes.

It is shocking to see case after case involving less than \$100 damage to both vehicles, and in some cases, no damage, result in BI claims of \$20,000 and more for alleged back or neck injuries. A summons is often the first notice the company receives as suit is filed within a day or two after the accident. One study indicated that about 25% of the law suits were filed before insured had been able to report the accident to his agent or company. While there were real injuries in some of these cases, in the great majority there was no indication of BI at the time of the accident.

No Evidence Of Disability

The insurer is denied a medical examination for three to four months, sometimes longer. When the claimant finally submits to examination, the findings are negative and the insurer examiner is forced to conclude that the claimant may have been injured as alleged though no objective findings are present at the time and there is no evidence of any disability.

If there is some negligence on the part of insured, the claims man must

make the best settlement he can or try a law suit. If demands are reasonable, a settlement is made. But if the demands continue to be unreasonable, or liability is non-existent or very questionable, he may decide to try the case. Here is where he encounters another obstacle, exertion of pressure on defendants by judges to make payment regardless of the merits of the plaintiff's case.

Unless the insurance business, bar associations, courts and lawyers can come up with a solution to the high verdict and built-up cases, rates will continue to climb, Mr. Thornbury said. Public clamor for compulsory compensation and elimination of the negligence system will grow.

The third serious threat to the negligence system is the congested court docket problem and the delay in getting cases to trial. "In our research this was one of the primary criticisms of the present situation involving automobile accidents and is one of the problems that must be answered if we are to stem the tide against such things as compulsory automobile insurance laws, compensation systems and state funds.

Is Effective Supplement

"We feel that family compensation coverage, while a departure from the practice of payment to third parties based on legal liability only, is an effective supplement to the negligence system," he said. "At any rate, the coverage is our answer to a very vexing question. It may not be the best answer. But are there better?" One thing appears rather certain. The public seems to be in no mood for the status quo in either the practice of law or the conduct of the insurance business. Without proper answer, more states are going to adopt compulsory.

Underwriting Loss, Assets Up For Harleysville Group

Harleysville Mutual Casualty had an underwriting loss of \$1,759,788 in 1958 compared with one of \$720,253, in 1957. Written premiums were \$17,633,505, an increase of 14.96%. Investment income was up to \$590,547 from \$509,766. Assets increased by \$4,815,930 to \$27,150,351.

Harleysville Mutual showed an underwriting gain of \$114,202 in 1958 compared with a loss of \$347,705 in 1957. Written premiums rose by 18.6% to \$6,572,339. Investment income was up from \$173,831 to \$185,474. Assets increased by \$1,015,062 to \$8,012,352 at the end of 1958.

AFIA Promotes Crowley

American Foreign Insurance Assn. has appointed William F. Crowley branch assistant at Dallas. He joined AFIA in 1957 in the home office brokerage department. Previously he worked for Benedict & Benedict, New York brokers.

STEADFAST AS THE STARS...



the time-tested services of Phoenix of London Group

Build your future with...

Phoenix Assurance Company of New York
London Guarantee & Accident Company, Ltd.
The Union Marine & General Insurance Company, Ltd.



PHOENIX OF LONDON GROUP

55 Fifth Avenue

New York 3, N.Y.

providing protection for more than seven quarter centuries



YOU CAN'T MISS with the HOLYOKE MUTUAL

Independent agents who are going on to bigger and better business have learned that doing business with the Holyoke Mutual assures them of a sound basis for the future.

The Holyoke Mutual is an old established firm with progressive ideas. Writes the most wanted policies and backs its agents with the kind of efficient service that builds good will and assures good business.

Write TODAY for a valuable
agency appointment

HOLYOKE MUTUAL
FIRE INSURANCE COMPANY

SALEM, MASSACHUSETTS • FOUNDED IN 1843

"Service Beyond The Treaty"

Intelligent Reinsurance Analysis

FIRE • CASUALTY • TREATY • FACULTATIVE

REINSURANCE Agency Inc.

CHICAGO 6, ILLINOIS • 309 W. JACKSON BLVD.
WABASH 2-7515

North America Names Zeitler At Syracuse

North America has appointed Eugene F. Zeitler assistant manager at Syracuse. He will also be in charge of the Albany field office, where he had previously been special agent since 1954. Prior to that he had been an automobile underwriter and special agent for Fidelity & Casualty.

American Liberty has promoted Bryant Alford from state agent to manager for Alabama.

St. Paul F.&M. Plans To Construct New HO

St. Paul F.&M. is planning a new home office building to be constructed on the present site starting early this year, at a cost of over \$6 million.

The steel, glass, marble and aluminum building, scheduled for completion by 1961, will run a full block on Washington, between West Fifth and West Sixth Streets, and will contain escalators instead of elevators. The front entrance will be in the center of the Washington side, facing the

federal courts building.

The company now owns the entire block in which its home office is located as a result of extending its holdings in recent years by buying up adjacent property. On completion of the new structure, home office space will total 411,602 square feet, an increase of 45%.

Employers Mutuals of Wausau have appointed John F. Kitchell sales manager at Tulsa, replacing Robert C. Rattray, who has been transferred to Houston in the same capacity.

Seek Law To Bar Auto Makers From Financing And Insuring Cars

WASHINGTON—Sen. Kefauver and Rep. Celler have introduced bills in Congress to bar automobile manufacturers from owning or maintaining facilities for financing and insuring the automobiles they make. The title of the bill is "Automobile Finance and Insurance Agency Anti-trust Act of 1959."

In the Senate the bill was referred to the judiciary committee, of which the anti-trust and monopoly subcommittee is a part. That unit, headed by Kefauver, is conducting an inquiry into insurance operations, regulation and competition under the direction of Sen. O'Mahoney. It is indicated that this subcommittee may hold hearings on automobile insuring practices before getting on with its proposed investigation of ocean marine, credit life and A&S, rating bureaus, etc.

Rep. Celler issued a statement as he introduced his bill in the House: "The combination of manufacturing, financing, and insuring gives to General Motors inordinate economic powers which it has used to increase its position with respect to Ford and Chrysler."

Must Separate The Businesses

"The business of financing and insuring automobile sales must be entirely separated from the manufacture of automobiles. Re-entry of Ford and Chrysler in the financing business can only result in further increase in the concentration of economic power in the automobile industry."

"The position of the small independent automobile finance and insurance companies will be further jeopardized. The alliance between manufacturing and financing must be dissolved if free competition in the automobile industry is to be preserved."

It has been reported that Ford is getting ready to enter the rent-a-car field and that Allstate would write the automobile coverage on the cars. (Allstate is said to be writing the coverage for Avis and for Peterson, Howell & Heather, large automobile leasing firm of Baltimore.) Charles H. Kellstadt, president of Sears, Roebuck & Co., which owns Allstate, has been elected a director of Ford Motor Co.

In the discussion which preceded authorization of \$395,000 for Sen. O'Mahoney's investigation of the insurance business, Sen. Langer cited a report of this subcommittee in 1955. That report recommended investigation of "the relations, financial or otherwise, between banks, insurance companies, fiduciary institutions, etc."

N. E. States Act On Used Car Warranty Selling

Commissioner Mahoney of Maine has authorized the sale of automobile mechanical breakdown insurance by insurers licensed in the state. Last December he ordered concerns selling warranties on used cars to desist, saying this constituted an insurance business.

The attorney general of Massachusetts has advised Commissioner Humphreys that firms selling used car warranties there must qualify as insurers or stop such sales. Gov. Powell of New Hampshire has ordered his attorney general to investigate similar sales. Commissioner Knowlton has probed this activity for several months in New Hampshire to decide whether it is an insurance business under state law.

THE WESTERN COMPANIES

THE WESTERN CASUALTY AND SURETY COMPANY

THE WESTERN FIRE INSURANCE COMPANY

Statements of Condition at December 31, 1958

ADMITTED ASSETS

	The Western Casualty and Surety Company	The Western Fire Insurance Company
Cash on demand deposit.....	\$ 2,468,227	\$ 1,396,802
*United States Government, state and municipal bonds	23,864,709	14,660,578
*Corporate stocks	2,558,779	4,773,314
Total cash and investments.....	\$28,891,715	\$20,830,694
Investment in Western Fire Insurance Company	6,678,820	—
Real estate	—	417,276
Premiums in course of collection (not over 90 days due)	9,617,482	1,579,228
Accrued interest and other admitted assets	1,351,448	524,781
Total admitted assets.....	\$46,539,465	\$23,351,979

LIABILITIES

Reserve for unearned premiums.....	\$15,902,863	\$13,050,253
Reserve for losses and loss adjustment expenses	15,178,669	2,362,988
Taxes and all other liabilities	1,627,222	1,256,577
Total liabilities, except capital.....	\$32,708,754	\$16,669,818
Capital	2,500,000	1,000,000
Surplus	11,330,711	5,682,161
Surplus as regards policyholders.....	\$13,830,711	\$ 6,682,161
Total	\$46,539,465	\$23,351,979
Securities carried in above statements deposited for purposes required by law....	\$ 1,065,770	\$ 581,911
*Eligible bonds amortized; other bonds and stocks at December 31, 1958 market values as prescribed by the National Association of Insurance Commissioners.		

EXECUTIVE OFFICERS

Ray B. Duboe	Chairman of Board
E. C. Gordon	Vice Chairman of Board
C. C. Otto	President
F. W. Duboe	Vice President
V. A. Griffin	Vice President
K. H. Mead	Vice President
E. H. Morrison	Vice President
W. L. Gench	Secretary
M. L. Hurst	Treasurer
E. H. Morris	Auditor
E. H. Allen	Ass't Secretary
M. D. Crown	Ass't Secretary
Gordon Fisher	Ass't Secretary
George J. Jones	Ass't Secretary
J. R. MacLennan	Ass't Secretary
Thomas M. Mayhew	Ass't Secretary
F. A. Hall	Ass't Treasurer

LINES WRITTEN

Automobile, Burglary, Glass
Accident and Health
Hospitalization
Liability
Workmen's Compensation
Fire and Allied Lines
Inland Marine
Multiple Peril
Fidelity and Surety Bonds

Licensed in 39 States With Nation-Wide Claim Service

Home Office
Western Building
Fort Scott, Kansas



Executive Office
916 Walnut
Kansas City 6, Missouri

Outlines Some Keys To Current Problems

(CONTINUED FROM PAGE 2)

investment trust rather than to direct an insuring company. Emphasis has been on the investment portfolio, with inadequate attention to trends and progress in the service of insuring the public.

This has had its apparent effect on national statistics. Some of the largest and oldest insurers suddenly have found their share of the insurance market was slipping and losses mounting. Investment income, while an important adjunct of successful insurance operation, is only one aspect of the business.

One of the biggest problems a company faces, especially one with a successful history, is the tendency to continue on the same basis as in the past, Mr. Achenbach observed. There are built-in traditions, particularly in fire. For example, contracts are too complex; the shortcomings of the term discount have been tackled only recently; and companies have failed to improve marketing and distribution methods and costs.

What Can Management Do?

What are some of the things management can do to make companies more effective, he asked. All are interested in growth and in doing a better job for themselves and policyholder. However, growth means different things to different people. It is not simply expansion. For if inflation increases the values of properties insured by 10%, a 10% increase in premiums is merely keeping even. Also, premiums are not always the whole measure of growth. Some companies don't aspire to be the biggest in the world but want to be the best in a given area or for a given group of people.

There are two ways to grow, he said. One is to serve more persons. The other is to give more service to the same people. The latter Mr. Achenbach defined as "growing from within." Perhaps in some companies this can provide as much personal job satisfaction and company objectivity as spreading all over the country. Obviously size is more important than it used to be—for mere survival in an electronic age. But if the company's general underwriting policy and individual underwriting decisions are designed for the maximum interest of the people it serves, it will grow to its objectives in spite of itself. This is an important consideration in establishing policy.

He noted that the general trend is toward multiple line agents. One-stop service is becoming more popular. Agents are becoming more diversified, with life insurance a regular part of their portfolio of coverages. Package selling is more prevalent.

Company Has To Do More

Whatever the logic or desirability of this trend, he said, the reason for it is primarily to lower acquisition costs. But if an agent's interests become more and more diversified, he becomes less of a specialist in any line. This means more centralization of underwriting checks and controls in the home office and more technical assistance to agents in the field. Thus there is imposed more responsibility on underwriting management.

In the farm field, these are among the most difficult times in history to underwrite fire risks properly, he observed. In view of rapidly changing technology and systems in agriculture, many of the farmer's assets are obso-

lete and have lost much of their utility. Replacement value may have no relation to need and use. This leads to conflicts in making decisions, and to a rising loss trend.

For example, in the midwest horse barns and chicken houses seldom are used any more for their original purpose. They have not been properly maintained, which creates an undue hazard. Assuming 100% honesty of insured, there still is little incentive to carry water to a fire.

Unsafe Farm Installations

Mr. Achenbach also expressed great concern because many farm people and commercial installers in rural areas have limited knowledge of safety codes for electrical equipment, wiring, lightning rods, LP gas, heating equipment and the like. The tremendous increase in use of these things on farms is a phenomenon of recent decades.

He stressed the deleterious effects on insurers of inadequate insurance to value.

Individual insurers and the business as a whole should put increasing emphasis on research and public relations, he believes. The business generally has lagged behind others in research—product research, including contracts, forms and coverages; market research to learn sales potentials and customer needs; and systems research to find better ways to provide service and reduce costs.

The need for public relations effort is obvious. He said the "fine print" idea still lurks in the minds of people. The necessity of rate increases and other problems of the business would be better understood and accepted if reasons were properly presented. All in the business should allocate some time to keeping the public informed, he declared.

Debate UJF For D. C.

WASHINGTON—Stock and mutual casualty representatives joined in opposing the proposed D. C. unsatisfied judgment fund legislation, in a panel discussion at the February luncheon meeting of District of Columbia Assn. of Insurance Agents. Howard M. Starling, Washington representative of Assn. of Casualty & Surety Companies, and Wallace M. Smith, Washington representative, American Mutual Insurance Alliance, spoke for the insurers.

Harry Wender, chairman of NACCA's D. C. legislative committee, strongly advocated the legislation. He suggested it might be possible to agree upon a bill that would impose the entire cost on the uninsured motorist.

Although opposing the bill, Mr. Smith conceded that "we have to do something to face this problem" of damages and injuries caused by uninsured drivers.

Joseph F. Murphy, financial responsibility officer for the D. C. government, predicted that "something is going to be done in the future" about the matter. Though taking no position on the proposed bill, he gave statistics on the number of drivers "taken off the road" under the D. C. financial responsibility law, and showing that 18% of accidents here are caused by uninsured drivers.

Mr. Starling said he opposes UJF because it creates a state fund and affords an opening wedge for putting

D. C. full scale into the insurance business. Such a fund represents a constant threat of expansion into writing automobile liability insurance generally.

Many persons will think that by paying this fee they are purchasing the equivalent of insurance and therefore there would be no need to carry insurance, he said. Furthermore, some provisions in the bill might encourage them to take a chance and not insure. For example, an uninsured motorist is permitted to pay a judgment against him in installments and by doing so retain his license and

registration. In one case in a state with UJF the installment was less than the amount of interest on the judgment. The possibility of subsequent weakening of the law to make it easier for the uninsured to have his license and registration restored despite his failure to reimburse the fund is always present.

There is inherent in the fund the possibility of collusive judgments where the loss of license would not be serious to the debtor, he said. This would be prevalent in cases involving members of the same family.



SYMBOLS OF SUPPORT . . .



As "Care" is the symbol of your support to those of other lands—so the familiar Camden coat-of-arms is the symbol of our support to *your* business well-being.

If you have not yet discovered the inestimable value of experienced, on-the-spot assistance by Camden Fieldmen—don't let another day pass. Let your Camden Fieldman help you turn prospects into purchasers—and "insure to value" for established accounts!

Remember — The Camden is an old line company with a brand new line on aggressive selling!

The Camden
FIRE INSURANCE ASSOCIATION
CAMDEN 1, NEW JERSEY

ATTENTION: FIRE and CASUALTY AGENTS

Increase Your Sales! Reduce Your Expenses!

PREMIUM BUDGETING FOR YOUR CLIENTS

- Fastest Payment to Agent — 7 to 10 days.
- No Signature Required — Budget by Phone.
- Longest Terms — 9 Monthly Payments on 1 Year Policies.
- Premiums as low as \$40 budgeted.
- Low Budget Charges.

Write for Further Information and Kit of Supplies

NATIONAL PREMIUM BUDGET PLAN CORPORATION

20120 LIVERNOIS AVE. • DETROIT 21, MICHIGAN • UNIVERSITY 1-7570

Electric Protection Keeps Property Losses Low

(CONTINUED FROM PAGE 6)

other conditions which impair or cut off the supply of water. Central station supervision detects closed shut-off valves and other abnormal conditions caused by carelessness or malice and initiates corrective action. Central station operators maintain a close check until a signal indicates that normal conditions have been restored.

Waterflow alarm service, supplied in conjunction with sprinkler supervisory service, transmits an alarm which

summons fire fighters whenever a sprinkler head opens. Firemen are thus able to back up the sprinklers in an emergency and shut off the water as soon as the fire is out.

For unsprinklered buildings, ADT uses a rate-of-rise automatic fire alarm system called Aero. This system consists of small copper tubing, one-twelfth inch in diameter, run in circuits along the ceiling. Air within the tubing is normally at atmospheric

pressure and temperature, but when fire starts, heat rises and spreads over the tubing, rapidly increasing the temperature and pressure of the confined air and causing an alarm. Slow temperature rises, such as caused by heating systems, do not build up the pressure and will not result in an alarm.

Hundreds of fires are detected and reported each year by these Aero systems. In a typical case, a short circuit recently started a blaze in the main shed of Seippel Lumber Co., Dubuque, Ia., Sunday afternoon. The yard was deserted, and a 30-mile wind was rat-

ting the eaves. In those circumstances, the fire could have grown to uncontrollable proportions within a few minutes. But the automatic system detected the blaze and summoned the local fire department, which controlled the flames with negligible damage. "There's no question in my mind," the owner said, "that the automatic system is the reason we're still in business today."

Another rate-of-rise fire detection system, called Teletherm, picks up radiant heat waves from a fire and focuses them on a thermopile which converts the heat directly into electric energy to initiate an alarm. Designed especially for buildings with large open areas and high ceilings, Teletherm is one of ADT's recent fire alarm developments. One Teletherm detector will protect an undivided floor area within a radius of 105 feet.

Smoke detection, a photoelectric system based on the principle of the electric-eye, aids ADT in safeguarding against special hazards. In small, enclosed spaces, such as fur-storage vaults or telephone and telegraph switching centers, a smoldering fire usually generates quantities of smoke without giving off an appreciable amount of heat. When the smoke intercepts a light beam of the photoelectric system, a transmitter automatically flashes a signal to the central station where operators alert fire-fighting forces. Smoke detection systems can be applied to shut down fans and close dampers in air-conditioning, ventilating and other air-duct systems. At the same time, the system automatically transmits an alarm to summon firemen.

Constant Search For Improvement

Ever since the first burglar alarm was patented in 1858, inventors have sought newer and better means of thwarting larcenous attacks. In recent years engineers have been quick to adapt developments in electronics and other scientific fields to protective purposes. Today, protection specialists have a wide range of systems at their disposal for property protection.

ADT burglar alarm systems transmit a silent signal to the central station or other protective headquarters at the moment of an attack. One system for protection of safes, called Tel-approach, transmits an alarm when a safecracker merely approaches the safe. Another, the Invisible Ray Alarm, signals the central station the instant a burglar interrupts an invisible beam of light. Because burglars do not hear the alarm, they are often caught before they realize police have been tipped off.

One of the newest burglar alarm systems is the ultrasonic alarm, which fills a room with high-frequency sound waves, inaudible to the human ear. When a burglar walks within the room he disturbs the sound pattern and causes an alarm. In Chicago recently, a gang equipped with every conceivable means of forcing entry—including a hydraulic jack and an acetylene torch, cautiously probed through a rear door, only to be turned back by ADT protection on the inside. Then they put their hydraulic jack to work. Bracing it against an adjacent building by means of planks, they applied pressure until the bricks popped. But before they could capitalize on this success, police were already approaching. An ultrasonic alarm had given a silent signal as soon as the bricks tumbled into the room. The gang abandoned the attack, leaving thousands of dollars worth of merchandise behind.

To protect doors, windows and other accessible openings, ADT sets up a

now!
a fiduciary bond
order blank
for up to
\$25,000
from American Surety

Here it is—an order blank for administrators, executors and other short-term Fiduciary Bonds—but this one is for up to \$25,000! It takes the place of a signed application. It's a quick and easy way to write this desirable business. The only paper work required is just the order blank . . . an attractive feature to attorneys and clients.

As a steady and profitable premium and commission producer, this business can scarcely be topped—because these bonds are required by law and are always in demand.

Premiums are often collected for 5, 10 or even 20 years—and can lead to substantial new business in other lines,

including Fire, Life, Accident and Sickness!

Send for a copy of "MAILROAD to PROFITS," our monthly sales-aid for agents. A current issue features Fiduciary Bonds and tells how to follow-up for additional lines from the same sources. Simply mail coupon today.



AMERICAN SURETY COMPANY
Agency & Production Department
100 Broadway, New York 5, N. Y.

Please send me a copy of "MAILROAD to PROFITS" featuring Fiduciary Bonds.

Name _____
Agency _____
Street _____
City _____ Zone _____ State _____

AMERICAN SURETY
COMPANY FIRE • FIDELITY AND SURETY BONDS
CASUALTY • INLAND MARINE

Affiliate: The American Life Insurance Company of New York

100 Broadway, New York 5, N. Y.

barrier of current-carrying contacts and foil stripping at each potential entry point. Screens made of wooden doweling with current-carrying wire embedded are used to protect doors and walls. Recently, a supplementary protection device known as the vibration detector has been put into service. This "widget," as engineers sometimes call it, detects vibrations caused by attacks on walls or ceilings and initiates an alarm. It helps safeguard vulnerable points that would be difficult and expensive to protect by conventional means. Police nabbed a Chicago burglar a short time ago when he tried to cut through the roof of a liquor store. Thinking he was attacking an unprotected point, he chopped blissfully on while police surrounded the building. His first heavy stroke had caused an alarm by jarring the vibration detector into operation.

Banks, loan offices and other business establishments rely on holdup alarm service for protection against bandits. Holdup alarm devices permit tellers or others to transmit a silent signal to summon police without arousing suspicion, even while obeying the bandit's commands. A prompt alarm frequently prevents losses, particularly if the bandit is slightly delayed.

Prompt operation of a holdup alarm in a Queens, N. Y. bank recently thwarted a clever bandit. Using the currently popular threatening-note technique, the holdupman forced a teller to fill a sack with \$1,191 in small bills. Although he warned her not to give an alarm until he was out of the bank, she nevertheless operated the ADT holdup device while handing over the money. Police, summoned by the alarm, captured the bandit and recovered the loot within a few blocks of the bank.

Automatic heating and industrial process supervisory services have be-

come increasingly important in the last 15 years because of widespread application of complete automatic protection. Supervision of boilers, room temperatures, continuously operating machinery and other conditions is often required to supplement fire and burglary protection.

Thousands of ADT subscribers use appropriate combinations of modern automatic fire and burglary protection services, along with automatic heating and industrial process supervision to provide complete automatic protection for their properties. This type of protection usually makes it possible to effect substantial savings by transferring protection personnel to productive duties.

As an example, in Houston a paint manufacturing company safeguarded its four-story building by an outside watch service. The watchmen were required to protect the premises from fire and burglary, and also to keep an eye on a paint mixing tank and four ball mills, all of which operated day and night.

At the suggestion of their insurance broker, company officials decided to consider converting to automatic protection, but felt they could not reduce their watch service without taking a chance on a costly loss in production.

An ADT representative, called in for a survey, explained that industrial process supervisory service would keep check on the paint mixers and other machines, while a combination of burglar alarm, sprinkler supervisory and waterflow alarm and automatic fire alarm service would safeguard the premises against usual hazards.

Saves \$5,000 A Year

Company officials agreed that such a combination would provide protection and yet maintain production. By converting, they got better protection and cut labor requirements 6,552 man-hours a year, saving the company more than \$5,000 annually.

Even ADT officials, long accustomed to curious requests, are sometimes amazed at the variety of processes that the company is called upon to supervise. At John Hopkins School of Medicine, for example, ADT is the automatic nursemaid for a group of cats. Subjects of a physiology experiment, the cats are kept at a predetermined body temperature by heating pads. Temperatures are recorded automatically. According to Dr. James Woods, assistant professor of physiology, ADT saves the school hundreds of dollars in supervision costs—and at the same time frees the department of the distractions involved in making constant temperature and power checks.

Keeping cats at a comfortable temperature is an unusual example of ADT supervisory service. More typical is the service supplied for a Minneapolis ready-mix concrete company. Formerly, during cold weather, the company lost two to four days a month because of freezeups of sand in its 10 hoppers. Either the heating system broke down or employees neglected to open steam valves. Each time it happened, 17 concrete carrier trucks and several leased trucks stood idle. To prevent such stoppages, the company asked ADT to install a suitable supervisory system. Now, if pressure in the steam pipes drops to a point where heating would be inadequate, ADT central station operators notify company employees who see that pressure is restored.

In all these installations, as with fire and burglar alarm installations, ADT specialists make regular inspections and tests and provide complete maintenance of the protective signaling equipment.

get a bigger slice of Dwelling Insurance Business with **PEERLESS DWELLING PACKAGE INSURANCE PROMOTION KIT**



Sales Convincers

- CONSUMER SALES BROCHURE
- NEWSPAPER ADS
- FOLLOW-UP LETTERS
- APPLICATION FORMS
- SALES AIDS
- PROSPECT FINDING GUIDE

Ready to sell for you: The complete Sales Tool Kit that has been delivering more bread-and-butter Dwelling Insurance business to Peerless agents everywhere. A potent, productive new profitmaker!

PEERLESS INSURANCE CO. KEENE, NEW HAMPSHIRE



HOST TO MOST WHO VISIT BALTIMORE

LORD BALTIMORE HOTEL

Since this, Baltimore's largest hotel, is normally favored by most visitors, we suggest that you write or telephone BA263 for reservations.

Wm. H. McGee & Co., Inc.

MARINE UNDERWRITERS

111 John Street, New York 38, N.Y.

Atlanta Philadelphia
Baltimore San Francisco
Boston Seattle
Chicago Toronto
Columbus, O. Montreal
Dallas Cuba
Houston Porto Rico
Los Angeles Honolulu
New Orleans Trinidad B.W.I.



OCEAN MARINE
INLAND MARINE
HOMEOWNERS' COMPREHENSIVE
MANUFACTURERS OUTPUT
and similar covers



A.D. 1720

FRIENDLINESS and COOPERATION . . .

. . . are key words of the fine Agent-Company relationship which has existed for more than 239 years in the Royal Exchange organization.

The Royal Exchange was one of the foremost pioneers in establishing insurance as a business.

Royal Exchange

ROYAL EXCHANGE ASSURANCE
PROVIDENT INSURANCE COMPANY
of New York
Associated with
Sun Insurance Office, Ltd.
and Atlas Assurance Company, Ltd.
Representatives in Principal Cities and
Towns of the United States and in
Most Countries Throughout the World

Fire,
Marine, Casualty
Fidelity & Surety *Group*

55 FIFTH AVENUE
NEW YORK

WANT ADS

Rates—\$22 per inch per insertion—1 inch minimum—sold in units of half-inches. Limit—40 words per inch. Deadline 4 P.M. Friday of week before publication in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.

THE NATIONAL UNDERWRITER

A & S UNDERWRITER

Allstate has openings for experienced Accident and Sickness Underwriters in southeast: Atlanta, Jackson, Charlotte, Roanoke, and St. Petersburg. Excellent opportunity for man with 3-5 years experience underwriting individual A & S insurance. Must have had wide latitude and responsibility for risk selection in Home Office or Branch Office. (This is not a sales position.)

Prefer college graduate, age 28-38, married. Salary open, excellent potential for advancement. Submit résumé in confidence including age, experience, education, and salary expected. Write E. R. Bailey, Personnel Manager.

Allstate Insurance Company
805 Peachtree St. N. E.
Atlanta 8, Georgia

UNDERWRITING OPPORTUNITIES

In an aggressive Midwest multiple line company

1. Research Underwriter—To assist underwriting secretary in research, program development, and preparation of management reports. Must have a strong casualty background.
2. Casualty Underwriter—Young, aggressive, career-minded individual to join line underwriters in a rapidly expanding operation.
3. Fire Underwriter—This rapidly expanding area needs an experienced line underwriter who can accept responsibility and wants a career opportunity.

Above average salary for each position—excellent benefits. College degree preferred. To age 40. Address Box E-55, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

VICE-PRESIDENT

wanted by aggressive automobile casualty company to take complete charge of all underwriting activities in the five states in which it does business. Applicant required to have only one qualification: proven ability to produce an underwriting profit on expanding premium volume. We will back you up with a crack team of claims and accounting personnel. If you are the man we are looking for, run, don't walk, to the nearest mailbox and send us your résumé of experience. Salary open. Box E-68, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

PROPERTY UNDERWRITING MANAGER

Multiple Line Underwriting Director wanted to expand independent policy package program for a leading Life company that is now entering the property damage field. Will manage a national operation, establish policies and train new staff.

Must have successfully managed Multiple Line Underwriting for a statewide or larger area. Prefer degree and C.P.C.U. Age to 30. Submit complete résumé to Box E-61, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

TEXAS - OKLAHOMA AFFILIATION WANTED

Young (31) married man desires Company or Agency position in Oklahoma or Northern Texas. Multiple Line, including Life, experience—3 years with large Old Line Company—5 years with Agency. Part of C.P.C.U. completed. Will travel. Address Box E-63, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

ILLINOIS FIELDMEN

Good opportunity for experienced Multiple Line Special Agent to travel Central Illinois. Aggressive and successful company offering good opportunities to right man, preferably between 30 and 40. Insurance and retirement benefits. Address Box E-64, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

UNDERWRITING OPPORTUNITY ACCIDENT & SICKNESS ALLSTATE INSURANCE CO.

Allstate has an opening in Philadelphia for an experienced Accident & Sickness Underwriter. This position offers excellent opportunities for advancement for a man with 3-5 years experience in A & S underwriting who has had a wide latitude for selection of individual risks.

Our outstanding benefit program includes the famous Sears-Roebuck profit sharing plan, paid vacation, merit increases (eligible 4 times a year), group life and hospitalization and many other benefits.

We want to talk to you if you are a man with management potential and would be willing to investigate the opportunity of an unusually high paying and secure position which offers an unlimited future in all respects.

Submit résumé in confidence, or call: W. B. MacLachlan, Personnel Mgr., Allstate Insurance Co., 35 So. 9th St., Philadelphia 7, Pa. Tel.: WALnut 2-4397.

WANTED INDIANA FIELDMAN

Experienced Multiple Line Fieldman desired for Northern Indiana. Small agency plant with extensive future development potential. Salary open. Full company benefits including Life, Health and Accident, and Retirement Program. Contact:

William Landgraf, Agcy. Supervisor
FREEPORT INSURANCE COMPANY
P. O. Box 60 Freeport, Illinois

PROPERTY CLAIM MANAGER

Ground floor opportunity to start a Property Claim operation in an established Life and Casualty Company. Will develop a Claim staff, set Claim policies and supervise the operation. Prefer degree, some legal training, C.P.C.U. helpful. Requires experience and responsible supervision of Claim handling for Fire, Marine, Burglary and Glass lines for statewide or larger area. Age 30-38. Submit complete résumé to: Box E-59, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

CLAIM EXAMINER

A progressive, midwestern casualty company needs a claim examiner—a man capable of assuming duties of Chief Examiner. Applicant must be able to supervise claim personnel and willing to travel to branches. Legal degree required, with some experience in private practice preferred. Salary open, commensurate with applicant's ability. Write to Box E-60, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

FOR SALE

Partnership interest in Central Colorado Agency in top town. Well established, growing Stock company agency. Write and include your qualifications to: Box E-51, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

FIELDMAN AVAILABLE

12 years successful bureau, agency and multiple line field experience. Strong Fire. 33 years old, married, college. Am capable, ambitious, can administrate. Seeking change to progressive stock company field position. Prefer Southwest. Reply Box E-57 c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

WANTED

Experienced Fire or Casualty girl. Well established Agency located in Madison, Wisconsin. All replies confidential. Write: P. O. Box 190, Madison, Wisconsin.

Guy Retires, Keller Named In Ohio By Western Adjustment

Allen C. Guy, regional supervisor of Western Adjustment in Ohio since 1937, has retired under the company's retirement plan and is succeeded as regional supervisor and Columbus manager by Wilson R. Keller.

Mr. Guy started in business as a claim agent for the Pennsylvania railroad at Cincinnati, and then was an adjuster for Employers Liability at Cincinnati before joining Western in 1920. Eight years later he became the first regional supervisor in Ohio for Western.

He is a PMLG of the Ohio Blue Goose and is a charter member of International Assn. of Arson Investigators.

Mr. Keller has been Columbus manager of Western since 1953 and has been with the organization since 1936. He was manager at Springfield, O., for two years before going to Columbus.

Western Casualty To Issue 100,000 Shares

Western Casualty has filed a statement with Securities & Exchange Commission asking for the registration of 100,000 shares of capital stock at \$5 par. The company, which owns Western Fire, proposes to offer the stock for subscription by present stockholders at the rate of one share for each five shares held. An underwriting group headed by Kidder, Peabody & Co. will offer unsubscribed shares publicly.

The proceeds of the sale will be added to the company's general funds. In the fourth quarter of 1958, stock of Western Casualty sold at a high of \$46.50 and a low of \$36.50. The company has 600,000 shares authorized with 500,000 issued and outstanding.

Set Public Hearing On New Mo. Auto Rates

JEFFERSON CITY—The Missouri department has set a public hearing for Feb. 26 to review the reasonableness of and necessity for the recent National Bureau increases in automobile rates. The 11.1% increase in rates became effective Dec. 17, but can be set aside by the department if it is determined the bureau does not show the increase was justified.

Chandler Joins Sayre & Toso

Burney Chandler has joined Sayre & Toso—W. B. Brandt & Co. as manager of the fire department.

Available FIRE FIELDMAN

with some Casualty experience. Age 38, married, 2 children, college background and 10 years insurance experience. Traveled extensively in Illinois and Wisconsin. Also sold direct. Presently situated northwest Chicago suburban area. Reply Box E-66, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

WANTED - CHICAGO JUNIOR CASUALTY UNDERWRITER

Company experience preferred.
Phone or write Mr. Groll

JOYCE AND COMPANY

309 W. Jackson Blvd., WEster 9-5400

CLAIM ADJUSTER

to take charge of one-man branch claim office located in southwest Virginia. Desire individual experienced in investigation and adjustment of Workmen's Compensation claims. Car furnished. Reply Box E-67, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

Mutual Agents Not High On Advertising Or Selling Life Lines

W. J. Perryman & Co., mutual general agency of Birmingham, has announced results of its poll of approximately 700 agencies in Alabama, Florida, Mississippi, Louisiana and Tennessee. The average agency polled represents eight companies, only two of which are truly multiple line.

About 65% of the agencies agreed that fewer companies in an agency would help eliminate duplication in accounting, special agency services and details in connection with supplies, procedures, rules and regulations. Special agent calls were desired once a month by 61%, while 39% thought calls every three months or even less were sufficient.

Only 45% of the agents have an advertising program. Of these, 39% use newspapers, 17% radio, 19% road signs, and 25% other forms, including direct mail. Of those without an advertising program, 54% object to the "prohibitive" cost, 7% don't believe in advertising, 16% do not have time to set up a program, and 23% are not familiar with necessary procedures.

Only 71% were familiar with account selling and 75% knew the meaning of the term "one stop insurance service." Package policies were favored by 89%, but 93% of this number thought monthly installment payments are a prerequisite to public acceptance. Company financing, rather than banking or other arrangements, was favored by 74%.

Life facilities are established in 70% of the agencies, but only 34% of these reported that the arrangement is satisfactory or is contributing materially to income.

Reaction To Renewal Plan

A plan for issuing auto renewals by companies or general agencies using electronic machines was approved by 78%. In this connection, 82% approved the idea but specified that they should continue issuing original policies; 75% felt renewals should be on forms that would replace agency invoice and other accounting records; 76% insisted on delivering renewals; 64% were willing to take a commission cut in line with reduced detail resulting from the plan, and 73% felt that the premium payment should be a condition of the policy being effective.

Only 60% were willing to eliminate flat cancellations on auto policies as a means of reducing the acquisition cost factor, and 39% were willing to treat auto coverage as an accommodation to be written only for insured for whom they write other lines.

A policy writing service for fire policies and renewals, similar to the auto plan proposed, was favored by 52%, and 69% thought that fire policies could be renewed by certificates or payment of premium for an indefinite period to eliminate the five year rate maximum rule. Company and general agents could properly police rating of class rated fire policies without bureau auditing, in the opinion of 58%. More than 90% felt that insurers and general agencies could help them eliminate general detail caused by antiquated procedures.

Johnston To Glens Falls As Mass. Special Agent

Glens Falls has appointed William B. Johnston special agent in eastern Massachusetts. He was previously special agent there of Aetna Fire.

Morrill Comments On Main Issues Of Auto Insurance

(CONTINUED FROM PAGE 1)

of matching rates with hazards."

The hazards of the urban area are not the same as the hazards of the rural area, he pointed out. America has had a tremendous urban and suburban development since World War II. What were cornfields are now crowded communities. To insure these new developments at country rates is both unsound and inequitable, yet in many parts of the country the redefining of territorial boundaries has lagged far behind the facts.

A major shortcoming of current statistical processes is that they reveal data only for previously defined units of exposure. A rating territory may encompass radically different degrees of hazard, yet territorial experience will never reveal them. Remainder of state experience generally is suffering from the encroachment of suburban areas, with urban-type hazards, unrecognized by established boundaries.

The answer to more realistic territorial definitions will not be found by scrutinizing territorial experience, Mr. Morrill said, declaring that what is needed is continuing research, based on field studies, and so designed that boundaries can react quickly to changing circumstances.

Business Lacks Imagination

Insurance, he charged has suffered from a lack of imagination in treating with some of these problems. "We cannot afford to let the solutions bog down in a committee system, or be obscured by inadequate staff work. There is too much poring over statistics which represent admirable examples of good arithmetic, but have no more meaning in relation to the hazards currently being assumed than the operating data on the DC-3 have for a modern air line. One of the great virtues of independent, competitively made rates is the spur that they provide to all other pricing units to adapt to the realities of the market place, free, as the independent is, to act without consultation with others or the need to harmonize views."

In all but a few states, he commented, the entire industry has the benefit of competition in defining territories. There are the bureau territorial definitions, often in two unmatched sets,

one for the liability coverages, another for physical damage—and there are the independent definitions. Considerable competitive advantage can be obtained by the rate filer who is able to match his boundaries a little more closely to the real difference in hazard than his competitors, but "even under the goad of competition, many rate makers have been surprisingly laggard in reacting to population shifts. Their performance to date offers no support for the often-urged notion of standard territories to be based on some unidentified ivory-tower source of wisdom. Competition has been a prime force in providing such adjustment of territories as has occurred. It would be a serious error to put artificial limits on that force."

Agrees With Classifications

Mr. Morrill said he could find little fault with the broad general pattern of automobile rating classifications. The classification factors are arbitrary, but they do appear, based on present knowledge, to represent actual conditions affecting the degree of risk. "Self interest and equity should lead us to improve these systems as we gain understanding; competition will be the spark that promotes prompt action."

He said one of the most promising new ideas for rate classification is that of weighing the number of moving traffic violations of the operator. Wide differences in traffic laws, enforcement and record-keeping make this concept impractical today, but these problems may be overcome in time.

Mr. Morrill said he believes the real difference in hazard represented by operators of motor vehicles is far greater than any current rating systems recognize. The Province of Manitoba has for several years been able to segregate the accident records of all drivers according to the number of violation points against them at the beginning of the year. Year after year, those drivers who began the year with six or more points on their record have been involved relatively in almost thirty times as many fatal accidents as those who began the year with no points.

Attempt To Deal With Fringe

Assigned risk plans are really an attempt to deal with this dangerous fringe of drivers. Costly as these plans have become, most management people regard them as an unavoidable price to be paid for the preservation of insurance on a private enterprise basis. "But if we can identify the truly irresponsible operators by demonstrable evidence—and repeated violations offer that possibility—we may have the weapon needed to stiffen the backs of legislators and motor vehicle administrators so that society will deny these reckless few the use of our highways. In the process, we may eliminate from our experience those risks that are responsible for a grossly excessive share of the losses."

However, he pointed out, the industry has a responsibility to provide a voluntary market to every motorist who in good faith is entitled to voluntary insurance. Putting somebody in the plan solely because he is too young or too old makes no sense. "Some day the industry must wage a battle to get adequate rates for assigned risks, since it is unconscionable to require the average driver of normal habits to subsidize that group. But our ability to wage that war is hampered by the

suspicion on the part of public officials that many people now in the assigned risk category do not belong there."

Mr. Morrill suggested that one way to stimulate the writing of such risks voluntarily is through an incentive plan. State Farm favors the national adoption of the Youthful Driver Supplement now in use in Wisconsin. That device gives each insurer credit against its assigned risk quota for every youthful driver voluntarily insured. National Assn. of Independent Insurers, representing companies doing over \$1.5 billion of auto business, officially endorses the Youthful Driver Supplement.

The specialty companies and their "ultra selectivity" are not responsible for the tight auto insurance market, Mr. Morrill averred. He asked: "Is it the American agency system companies or the independents which have reduced agents' commissions on automobile insurance, placed blanket prohibitions on the writing of class 2 (youthful driver) business, cancelled agencies, withdrawn outright from whole territories, or made the acceptance of automobile business contingent upon the writing of other, more profitable lines?"

Independents Seeking Business

"My company is aggressively seeking new automobile business, and so are other specialty companies. We have never ceased to do so. Practically all of the real growth in automobile business in recent years has been absorbed by the independent companies, the leaders of which have been growing three times as fast as the industry. Had these companies restricted their writings to the degree of their principal bureau competitors, the future of our business as a private enterprise would now be in jeopardy."

In 1956, he said, State Farm and Allstate jointly grew to the tune of \$66.1 millions of earned auto premi-

ums. All other companies combined grew by \$132,635,000, so that two independents alone accounted for 50% as much growth as the rest of the industry. In 1957, the two independents added \$82.4 millions of earned premiums, which was 34% of the \$243.8 millions by which all others grew.

The growth of the rest of the automobile insurance business in 1956 was only 3.4% of its 1955 volume; in 1957 it was 6% of its 1956 volume. "When you consider the substantial rate increases that began to show up in earned premiums in those years, and the fact that about a billion dollars of earned premiums of other independents are in the aggregates, it becomes plain why the willingness of the independents to extend their automobile underwriting commitments in recent years has been the principal means for meeting the expanding insurance needs of the motoring public."

State Farm is the second largest writer of auto insurance in Wisconsin, with 6% of the liability business. In seven years under the Youthful Driver Supplement, Mr. Morrill said, the company has had two risks assigned by the plan. The remainder of the quota has been fully met by youthful risks insured in the voluntary market, and State Farm's credit balance is now so great it may never get another assignment. Other independents also show large credits. "Since this means is equally available to all insurers there can be only one answer as to which companies are the most restrictive in writing young drivers. There is no factor of which I have knowledge that would suggest that the pattern in Wisconsin is different from the pattern elsewhere."

Mr. Morrill said he was not making his point for the sake of argument, "but merely to clear the air. There are many problems in this business which the entire industry needs to tackle together, and harmony cannot be expected if either side believes that the other is shirking its responsibilities."

A most disturbing development in 1958 was the increased role of politics

YES...SHAW HAS IT...



usual and
unusual
coverages
•
LLOYD'S
LONDON

ALL-RISK FUR AND JEWELRY COVERAGE!

A. F. Shaw & Company now has available a market for those difficult-to-place fur and jewelry risks. Here is the coverage that producers urgently need today.

GET THE FULL STORY RIGHT
AWAY ON THIS ALL-RISK PLAN...
Our Lloyd's Department has the complete details. Call today.

A. F. SHAW & CO.

EXTENSIVE MARKETING FACILITIES

175 W. JACKSON BLVD. • CHICAGO 4 • WABASH 2-1068

INSURANCE EXECUTIVES

We are proud of having placed more executives than any other organization in the country. We have exceptional opportunities in the INSURANCE industry immediately available.

EXECUTIVE ACTUARY ... \$20,000
Life Bkgd. Must be Fellow.

ACTUARIAL ASSOC. \$ 9,000
ASSOC. MANAGER \$10,000
A & H background—Midwest.

CLAIMS MANAGER \$12,000
Fire, Burg. Plate, OLT, GL.

CALL • WIRE • WRITE
In Complete Confidence to:

H. J. Roberts
Insurance Executive Consultant

CADILLAC ASSOCIATES, INC.
220 S. State Street WAbash 2-4800
Chicago 4, Illinois

"Where More Executives
Find Their Positions Than
Anywhere in the World"

in the regulation of rates, Mr. Morrill commented. One of the most respected departments in an official opinion denied a rate increase as an attempt on the part of the filer to maintain "technical solvency," which the department decided was an extravagant goal. Another leading commissioner made a public statement that an automobile rate filing which he said he had not had a chance to study "appeared excessive." In many states, rate filings were tried principally in the newspapers.

A Sense Of Surprise

This condition, he said, must be faced as a business problem, "perhaps with a sense of surprise that we have not had to face it earlier." Most major businesses today find it necessary to take public opinion and politics into account. Insurance cannot expect to be an exception, when its product has a near-mandatory status and public officials are required by law to pass on the prices charged.

The formation of Insurance Institute for Highway Safety "is truly a giant step forward for our business," Mr. Morrill declared. The reduction of

accidents has become an imperative for insurance. He predicted that Insurance Institute for Highway Safety will infuse new energy into the entire traffic accident prevention field, and provide results.

Progress Was Essential

The progress that independents have made from the role of heretics to that of respected competitors was essential to the growth of a good working relationship, such as that which has already been achieved on the highway safety and financial responsibility matters, Mr. Morrill stated.

Working with competitors on common problems while competing vigorously in the market place is nothing new for independents, he added, "All but a few of the truly independent companies have worked together for a dozen years in NAI. Our agents tell us that their toughest firing line competition actually comes from fellow members of the NAI and other independents.

"That experience should give us confidence that it would be no more difficult to cooperate across existing lines than within the ranks of the

principal trade associations. There are men of good will, competence and understanding in all camps."

An attractive place to begin the next round of cooperative action could well be that of achieving better public relations for the automobile insurance business, he suggested. Better public understanding and acceptance of the need for adequate rates, of the factors which affect them, and of the importance of supporting adequate accident prevention measures, are badly needed. Cooperation in the public relations area has already been proposed by people on all sides.

Proposals Were Defeated

Proposals for cooperation have sometimes been defeated by the notion that in some way Independent Company X or Independent Company Y stands to gain a propaganda advantage, he observed. "This view overlooks the fact that each company stands alone in the market place, and each independent company proposal will be under the scrutiny not only of the other bureau groups but of every other independent as well.

"Fortunately, the competitive bitterness of the past is being rapidly replaced by the competitive respect of the present."

Roemer New President Of Toledo Agents' Assn.

Toledo (O.) Assn. of Insurance Agents has elected William L. Roemer, president; Floyd J. Dragen, 1st vice-president; James F. Gilger, 2nd vice-president; Howard W. Adkins, secretary and treasurer, and William A. Johnson, chairman board of trustees. Other trustees are James G. Crockett, Gifford H. Fine, A. J. Kaltenbach, William K. Baker, Ruel T. Brown, Jr. and the officers.

Dicus Joins McGee & Co.

Robert Dicus has joined Wm. H. McGee & Co. as manager of the multiple line department at Chicago.

World Ship Losses Down In 1958 For Third Straight Year

Liverpool Underwriters Assn. has reported world total losses of 87 merchant vessels, aggregating 280,477 tons, in 1958. The total loss ratio was .24 since world total tonnage of vessels over 500 gross tons was 114,687,966. This was a new record in a trend which started in 1956 when there were 95 total losses for a loss ratio of .28. In 1957, 90 total losses produced a ratio of .26.

The association's annual report noted that this improvement was brought about partly by the depression in world shipping which has idled many vessels.

In 1958, Panamanian ships led the list of total losses with 12, aggregating 46,650 tons. Next in order were Liberia with six losses of 35,044 tons, British ships with eight losses of 28,966 tons and the United States with five ships totaling 24,443 tons.

In a listing of the most important casualties in 1958, the report included 25 American ships. Of these, eight occurred in the Great Lakes trading area.

New Seaway Problems

The association reported 6,857 partial losses in 1958, compared with 7,243 in 1957. Partial losses include damage from weather, strandings, collisions, explosions and other insured casualties.

The report highlighted the scheduled opening of the St. Lawrence Seaway to deep draft vessels in June. It quoted the warning by Canadian underwriters that there is need for a cautious approach to the new problems likely to be presented by use of the seaway which is an inland waterway with all the hazards of confined navigation.

The association stated that unrealistic cargo rates, due to intense competition in expanding world insurance markets, continued in 1958. The situation was aggravated by the general decline in world trade. Onerous operating conditions imposed by certain governments added to the difficulties facing cargo underwriters. These short sighted governmental policies will in the long run harm the economies of the countries concerned, according to the association.

No New Commissioner Named Yet In Minn.

ST. PAUL—Gov. Freeman, announcing appointments to executive positions in the state government this week, did not include an insurance commissioner. The six-year term of Cyril Sheehan has expired, but he is continuing in office until a successor is named. The expectation is that Cyrus Magnuson, executive secretary of the governor, will be appointed commissioner. In private life he has been in the insurance business.

Meanwhile, the governor has presented a reorganization plan of state government which would make the department a division of the commerce department. The workmen's compensation board also would be a division of the commerce department.

The governor has presented this plan to the legislature twice before.

Nw Mutual Names Claim Managers

Northwestern Mutual has appointed John R. Burns claim manager of the southeastern department at Raleigh, Vincent L. Anderson at Sacramento, and William H. Johnston at San Diego.

ALL FORMS CASUALTY • FIDELITY & SURETY BONDS •



GROUP SERVICE IN ONE COMPANY

AMERICAN FIRE & CASUALTY COMPANY

HOME OFFICE • ORLANDO, FLORIDA

NATION-WIDE CLAIM SERVICE

COVER-ALL • FIRE • EXTENDED COVERAGE • HOMEOWNERS • AUTOMOBILE • AVIATION

DIRECTORY OF RESPONSIBLE INDEPENDENT ADJUSTERS A

O. R. BALL, INC.

Fire — Inland Marine
Allied Lines
1544 Hanna Building
Cleveland 15, Ohio
Phone Superior 1-7850
Night Phones: MCentrose 3-7664
Florida 1-5095

R. L. GRESHAM & CO.

321 North 5th Street
Las Vegas, Nevada
Servicing
Beatty and Pioche, Nevada
St. George and Cedar City, Utah
Needles and Baker, California

SCOTT WETZEL CO. UTAH-IDAHO INSURANCE ADJUSTERS

428 So. Main—Salt Lake City, Utah
515 Eccles Bldg.—Ogden, Utah
1st Security Bank Bldg.—Idaho Falls, Idaho
258 Broadway—Pocatello, Idaho
121 - 2nd Ave. East—Twin Falls, Idaho

CHICAGO SUBURBAN CLAIMS SERVICE

Adjusters
STate 2-4803
100 N. La Salle St. Chicago 2, Ill.

LIVINGSTONE ADJUSTMENT SERVICE

620 E. Edwards St., Springfield, Illinois
Branch Offices: Decatur — Mattoon — Mt. Vernon — Belleville — Quincy
Covering Central and Southern Illinois
All Lines of Fire & Casualty

STATEWIDE ADJUSTMENT CO.

HOME OFFICE: 328 WILLIAMSON BLDG.
CLEVELAND 14, OHIO TOWER 1-1700
Offices throughout Ohio
Edwin C. Dolan, Mgr. Andrew Simon, Asst. Mgr.
Investigations and Adjustments for Insurance Companies — All Lines.
Night Phones: FAirfax 2-5915, ACademy 1-0906

J. L. FOSTER & R. K. FOSTER

Insurance Adjusters
First National Bank Bldg.
Springfield, Illinois
Tel. 8-7555
Br. Office, Bloomington, Ill.
Fire Inland Marine Casualty

J. R. McGowan, Pres.
THOMAS T. NORTH, INC.
Adjusters All Lines
Phone HArrison 7-3230
175 W. Jackson Blvd., Chicago 4

THOMAS D. GEMERCHAK

Insurance Adjustments
All Lines
416 Citizens Bldg., Cleveland 14, Ohio
Phones Off. Su. 1-2666 — Res. Fa. 1-9442

RAYMOND N. POSTON, Inc.

159 S. W. 8th St. Miami, Fla.
BRANCHES
FT. LAUDERDALE
PALM BEACH AREA
KEY WEST
ST. PETERSBURG
TAMPA
SARASOTA

C. R. WACKENHUTH AND SON

ADJUSTERS FOR THE COMPANIES—ALL LINES
301 Mid-Continent Bldg.
Tulsa, Oklahoma
Phones LU 2-5460
GI 7-3850

Warns Of Undue Group A&S Rules

(CONTINUED FROM PAGE 1)

dealing with filing and approval of group A&S policies, rate regulation, minimum benefits, extension of maternity benefits, compulsory cash sickness, and possible moves toward multi-state or duplicate regulation of insurers.

"Undue regulation of group insurance certainly would tend to stifle competition," he said, "and thereby reflect adversely on state regulation, both from the point of view of the public and in the eyes of Congress. To the extent that the states regulate merely for the sake of regulation and not for reasons based on public interest, state regulation is not functioning as contemplated by Congress under public law 15 or as expected by the insurance buying public."

However, he said, the ability of the health insurance business to adjust rapidly to changing conditions, to progress through experimentation, and to keep the public interest as its major objective, augurs well for the future.

Ask Reopening Of Ia. Auto Rate Revision

Iowa Assn. of Independent Agents has asked Commissioner Oliver Bennett to reconsider the automobile rate revisions which he approved, effective Oct. 1, for National Bureau of Casualty Underwriters and National Automobile Underwriters Assn. The reductions were based on a reduction in acquisition costs from 25 to 20%.

In connection with the request of agents, the bureau has filed with the department a statement that neither the bureau nor the department has any control over commission contracts between producers and companies. The bureau deals only with the total production cost allowance as a budgetary item, it said. Individual insurers may pay this or a higher or lower percentage.

Treadway Is V-P Of New Orleans Agency



W. L. Treadway Jr.

William L. Treadway Jr. has been elected a vice-president of Southern Marine & Aviation Underwriters agency. He previously has been in field work in the south since 1948.

Childs Ad Manager Of Merrimack Mutual Group

Gerald R. Childs has been named advertising manager of Merrimack Mutual group. He previously has been advertising manager of an Atlanta department store.

Zorn Oregon Deputy

E. O. Zorn has been appointed chief deputy of Oregon by Commissioner Musser. Mr. Zorn has been manager of Oregon General Agency.

A past president of Oregon Fire Underwriters Assn., he started in insurance with Yorkshire at New York in 1936. He was transferred to San Francisco in 1941 as resident secretary. He joined Oregon General Agency in 1948.

Republic Of Dallas Had Gains In 1958

Consolidated assets of Republic and the affiliated Vanguard increased \$6.5 million in 1958 to a total of \$47,088,849. Surplus to policyholders was \$18,997,313, a gain of \$3.9 million; agency premiums increased \$2 million to \$21,821,318. The combined loss and expense ratio of Republic was 87.0 and for Vanguard it was 98.4.

A dividend of \$1 was declared on the 4% preferred stock, payable March 26 to stock of record March 13.

An increase in the common stock of Republic was approved. An additional 30,000 shares will be issued at \$10 par, increasing the total outstanding to 420,000. A stock dividend will be paid to stock of record Feb. 12 at a ratio of one new share for each 13 now held. Fractional shares will not be issued, but stockholders for a limited time will have the right to buy additional fractions to complete a full share. The stock dividend is payable Feb. 25.

A quarterly dividend of 40 cents was declared on the common stock (including new shares issued as a stock dividend) payable Feb. 25.

Quarterly Dividend Noted

It was announced that two new officers have been elected and three officers were promoted. Russell H. Perry was elected executive vice-president, and T. O. Maitre was advanced from secretary to assistant vice-president. In other promotions, Dale K. Sievert was advanced from assistant treasurer to treasurer; Philip G. Atkins and R. L. Caldwell were named assistant treasurers.

Mr. Perry has been vice-president and manager of the eastern department at New York since 1945. He started in insurance in 1925 with Chicago F.&M. and joined Republic in 1932.

Bill To Tighten FR Law Filed In Iowa Legislature

DES MOINES—A bill to tighten the present financial responsibility law in Iowa and increase the proportion of insured drivers has been filed in the house.

The bill is intended to be an answer to supporters of compulsory although no bill has been filed for such a proposal in the Iowa legislature. Under the present law, security must be deposited to cover damages which result from an accident, and the bill would also require proof of financial responsibility for three years when such a person is involved in an accident resulting in property damage in excess of \$50.

Another bill would provide an effective cancellation date through service of notice upon insured with the date not to be less than 5 days after service. The service may be made in person or by mail.

Other insurance bills would prohibit giving away insurance of any kind to induce sales or exchange of property; authorize the exclusion of atomic energy hazards from the standard fire policy; and permit the use of a simpler form of multiple-peril policy.

Devine Is President Of Madison Insurance Board

R. J. Devine has been elected president of Madison (Wis.) Insurance Board, replacing Harland Klipstein. Other officers are George Neckerman, vice-president; William Bush, treasurer, and Norman Johnson, secretary.

Clark To Retire After 54 Years In Insurance

(CONTINUED FROM PAGE 1)

Laboratories and a committee member of National Automobile Theft Bureau and Marine Office of America. Because of his forthcoming retirement he recently resigned as chairman of Underwriters Adjusting Co. and president of Cook County Loss Adjustment Bureau, Underwriters Grain Assn. and Underwriters Salvage Co. of Chicago. He is a past president of Oil Insurance Assn., was chairman of the western regional committee of Factory Insurance Assn. and was vice-president and chairman of the executive committee of Uniform Printing & Supply Co. He was chairman of the managing committee of Mountain States Inspection Bureau, served as a member of the governing committee of Western Underwriters Assn. and as a committee member of Chicago Fire Patrol. He has been vice-chairman of the executive committee of Western Actuarial Bureau, and a member of the western regional committee of National Automobile Underwriters Assn.

Lloyd Brown's Career

From 1919 to 1921 Mr. Brown was with a Dallas real estate firm. In 1921 he became a solicitor in a Decatur, Ill., agency. In 1923 he joined National Liberty as a special agent. He became state agent in Illinois in 1924. He went with Loyalty in 1927 as state agent in Illinois; was appointed assistant secretary in the western department in 1931, secretary in 1935 and 2nd vice-president in 1936. He was appointed vice-president in 1958.

He is a past MLG of the Illinois pond of Blue Goose.

American Surety To Seek Stock Dividend Authority

William E. McKell, chairman and president of American Surety, has announced that stockholders will be asked at the annual meeting March 16 to approve a proposal permitting the board, at its discretion, to utilize the company's presently authorized but unissued shares for payment of stock dividends. Payment of part of its dividends in stock would conserve cash for investment and surplus for expansion of underwriting capacity, Mr. McKell said.

If the proposal is approved, it is the present intention of management to recommend this year declaration of a cash dividend of 25 cents payable July 1, and a stock dividend of 4½%, or one share for each 25 shares held, payable Oct. 1.

American Surety has authorized capital of 2 million shares of \$6.25 par value stock, of which 800,000 shares are presently unissued. Cash dividends have been at the rate of 22%, cents quarterly.

N. C. Again Considers Deviation

North America's 10% fire and homeowners' deviation case is again under consideration in North Carolina by Commissioner Gold, after lengthy re-hearing. At the hearing North Carolina Fire Insurance Rating Bureau offered figures to show that North America was operating at a loss in the state in those classes and hence should not be allowed to deviate. North America contended that its loss ratio is well below that of the bureau and that it has been able to show substantial savings in expenses. The issue is expected to wind up in the courts.

N. Y. Auto Men Mark 35th Anniversary

Automobile Underwriters Club of New York marked its 35th anniversary



Frank G. Haley

with a luncheon meeting at the Drug & Chemical Club there. Frank G. Haley, vice-president of America Fore Loyalty, and president of the club, disposed of the usual business quickly and turned the gavel over to Howard Stocker, retired deputy U. S. man-

ager of Northern Assurance, who acted as honorary chairman. Mr. Stocker attended the organization meeting in 1924 and was elected first secretary. He is a past president.

Gilbert L. Kerr, retired vice-president of America Fore and now with Recording & Statistical Corp., compared problems in the automobile field today and 35 years ago, some of them serious and some humorous.

Arthur Carlin of Royal-Liverpool carried on the theme of yesterday and today with some amusing definitions of well known insurance terms. Mr. Stocker briefly sketched the history of the club's activities over the years. Several charter members unable to attend sent congratulations.

Thirty underwriters attended the first meeting. Many of them rose to top executive posts in their companies. Charter members included A. E. Heacock, president of Pacific of New York group; W. W. Smith, U. S. manager of London & Lancashire; Walter Meiss, retired U. S. manager of London Assurance, and the late F. E. Sammons, who was president of Hanover Fire.

Florida Rate Situation

After a hearing, Commissioner Larson of Florida ruled that the filing by National Bureau of Casualty Underwriters for a 28.9% increase in auto liability rates was in proper form. However, he postponed to March 15 a hearing on the merits of the filing and the amount of increase asked. He indicated he proposed to retain the Chicago actuarial firm of Briscoe & Associates to review the filing. He turned down the filing in December on the grounds that the bureau insurers write less than half this class of business in the state. The bureau added the experience of mutuals, which Larson said met his objections as to sufficiency of data.

McHugh Zone II Speaker

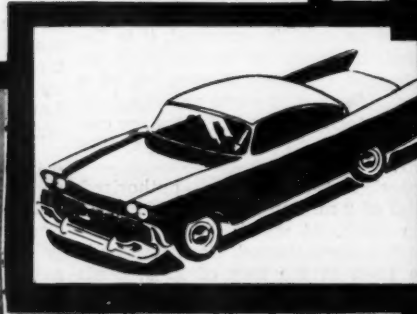
Donald P. McHugh, counsel for the Senate judiciary anti-trust and monopoly subcommittee which is investigating insurance and state regulation, will be principal speaker at the zone II meeting of commissioners at the Greenbrier, White Sulphur Springs, W. Va.

Trice, Mackey Elected V-Ps

The Davenport agency of Richmond, Va., has elected G. Wilmer Mackey and J. Norvel Trice vice-presidents. Mr. Trice is chairman of the educational committee of National Assn. of Insurance Agents. He has been with the agency since 1941, the last five years as treasurer. Mr. Mackey has been secretary. He joined the agency in 1946. L. W. Trigg, named Richmond's young man of the year for 1958, was elected secretary-treasurer.

NOW

**YOU
CAN
GIVE
YOUR
ASSUREDS**



**AMERICAN SERVICE
ON AUTO GLASS
REPLACEMENT TOO!**

**CALL
MO 4-1100**

1030-42 N. Branch—Chicago—MOhawk 4-1100

American Glass Company

3156 E. Woodbridge—Detroit—LO 8-1060